

FILE COPY



# Grand Jury

County of Monterey

---

P.O. Box 414  
Salinas, CA 93902  
(831) 755-5020

## MEMORANDUM

**DATE:** May 25, 2004

**TO:** California State Archivist, 1020 "O" Street, Sacramento, CA 95814  
Lisa Galdos, Clerk of the Superior Court of Monterey County

**FROM:** Asa Wilson, Court Administrative Aide to the Grand Jury

**RE:** 2003 Monterey County Civil Grand Jury Responses

---

Enclosed please find a complete set of Responses to the 2003 Monterey County Civil Grand Jury Final Report. This is in accordance with Penal Code section 933(b).

If you have any questions, please call me at 831.755.5020. Thank you.

/aw  
Enclosures

cc: Terrance Duncan, Presiding Judge of the Monterey County Superior Court  
Maria Garcia, Deputy Court Executive Officer



# OFFICE OF THE SHERIFF MONTEREY COUNTY, CALIFORNIA

RECEIVED

FEB 11 2004

SHERRI L. PEDERSEN  
CLERK OF THE SUPERIOR COURT  
DEPUTY

February 9, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
North Wing, Room 318, 240 Church Street  
Salinas, Calif. 93901

Judge Duncan:

This response is in reference to the findings and recommendations of the 2003 Monterey County Civil Grand Jury's Final Report. The Grand Jury's Report listed four Findings and two Recommendations for the Monterey County Sheriff's Office. Only the first two Findings require a response.

**Finding #1: The jail is overcrowded.**

*The Sheriff's Office agrees with this finding. The Board of Corrections rated the jail for 813 inmates. The inmates count was 1142 on 2-5-04. The average daily population for the year 2003 was 1040 inmates. Though the jail presently has 1335 available beds the different classifications of inmates makes it very difficult to safely house that number. The number four finding of the Grand Jury Report states: "Despite the Jail overcrowding, budget constraints, and the reduced complement of correctional officers (Deputy Sheriff's), the Jail is being managed adequately."*

**Finding #2: The high cost of housing in Monterey County contributes substantially to the Department staffing problems. Recruiting is adversely effected. When presently employed Department personnel have difficulty in finding adequate housing for themselves and their families in Monterey County, they tend to seek new employment in departments where pay is higher or in locations with lower housing costs. Staff turnover and shortages contribute to other Departmental management problems."**

*The Sheriff's Office agrees with this finding. With the present budget constraints there is no funding available to address this issue.*



The Grand Jury's Recommendations are as follows:

**Recommendation #1:** A supplementary housing allowance program, similar in concept to the City of Seaside's program for its law enforcement employees, should be investigated cooperatively by the Sheriff's Department staff and the County Administrative Officer's staff. The results of this joint investigation should be presented to the Monterey County Board of Supervisors as part of an "affordable housing" plan to insure recruitment and retention of critical County employees.

*The Sheriff's Office understands that this recommendation will not be implemented because there is no funding available. This is also one of my recommendations in my ten-year Strategic Plan. I support this recommendation but with the lack of funding in both the Sheriff's Office and the County Administrators Office budgets, this recommendation is not feasible at this time.*

**Recommendation #2:** A prisoner overcrowding relief program should be developed cooperatively by the Sheriff's Department staff and the County Administrative Officer's staff and presented to the Monterey County Board of Supervisors for funding in the next budget.

*The Sheriff's Office has not yet implemented this recommendation, but it will be implemented in the future. The Sheriff's Office is working collectively with the Criminal Justice Partners Committee to put together such a program. In addition the Sheriff's Office is also developing an inmate release program as part of their fiscal year 04/05 budget proposal to the Board of Supervisors. This program would involve several different release options including:*

- *Penal Code Section 4018.6, which is a three-day early release program that can be implemented by the Sheriff*
- *Section 4024.1 PC, an accelerated release that allows inmates to be released as much as thirty-days early, but requires authorization by the Presiding Judge*
- *Section 853.6 PC that authorizes the O.R. (Own Recognizance) release of most misdemeanor arrests*
- *Section 3074 PC governing the County's Sheriff Parole Program that guides and authorizes the supervised release of sentenced inmates.*

*Other than the O.R. option all of these sections allow only the release of sentenced inmates. An additional alternative would be the O.R. release of "lightweight" felony inmates. Arrest charges that would qualify as "lightweight" include, but are not limited to, the following:*

- *Petty theft with a prior 666/484 PC,*
- *Battery on a peace officer 243(B) PC*
- *Threats of Violence 422 PC*
- *Burglary 459 PC*

The Honorable Terrance R. Duncan

Page 3

February 9, 2004

- *Carrying a concealed weapon 12025(A)(1) PC*
- *Several controlled substances charges*
- *Driving Under the Influence with up to three prior convictions, etc.*

The Office of the Sheriff looks forward to the opportunity to continue to work with the County Administrative Office to further satisfy and meet the 2003 Monterey County Civil Grand Jury's Final Report's Findings and Recommendations. If any further information is needed please feel free to contact me at 755-3751.

Sincerely,

A handwritten signature in cursive script that reads "Mike Kanalakis". The signature is written in dark ink and is positioned above the printed name and title.

Mike Kanalakis  
Sheriff-Coroner

# MONTEREY COUNTY



## THE BOARD OF SUPERVISORS

**FERNANDO ARMENTA, Chair**  
60 West Market Street, Suite 110  
Salinas, California 93901

Phone: (831) 755-5011  
(831) 647-7991  
e-mail: district1@co.monterey.ca.us

**LOUIS R. CALCAGNO, Vice Chair**  
10681 McDougall  
Castroville, California 95012

Phone: (831) 755-5022  
(831) 647-7722  
(831) 724-8228 EXT. 5022  
e-mail: district2@co.monterey.ca.us

**W.B. "BUTCH" LINDLEY**  
522 C Broadway  
King City, California 93930

Phone: (831) 755-5033  
(831) 385-8333  
(831) 647-7733  
e-mail: district3@co.monterey.ca.us

**EDITH JOHNSON**  
2616 1<sup>st</sup> Avenue  
Marina, CA 93933

Phone: (831) 883-7570  
(831) 755-5044  
e-mail: district4@co.monterey.ca.us

**DAVE POTTER**  
1200 Agujito Road, Suite 001  
Monterey, California 93940

Phone: (831) 647-7755  
(831) 755-5055  
e-mail: district5@co.monterey.ca.us

February 25, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
North Wing, Room 318, 240 Church Street  
Salinas, CA 93901

Dear Judge Duncan:

Attached are the responses of our governing body, the Monterey County Board of Supervisors, to the findings and recommendations in the Monterey County Civil Grand Jury's 2003 Final Report dated January 2, 2004 as required by Sections 933 and 933.05 of the California Penal Code.

Response to the findings and recommendations in Section 12, Workforce Investment Board, will be filed under separate cover.

The Monterey County Board of Supervisors approved the attached responses on February 24, 2004.

Sincerely,

Louis Calcagno  
Chair, Monterey County Board of Supervisors

LC/ad

Attachment: Response to Findings & Recommendations



**RESPONSE**  
**MONTEREY COUNTY CIVIL GRAND JURY**  
**2003 FINAL REPORT (January 2, 2004)**

I.	MONTEREY COUNTY SHERIFF'S DEPARTMENT	
	Findings.....	2
	Recommendations.....	3
II.	MONTEREY COUNTY PLANNING & BUILDING INSPECTION DEPARTMENT	
	Findings.....	4-5
	Recommendations.....	6
III.	COUNTY BUDGET DEVELOPMENT PROCESS	
	Findings.....	7-8
	Recommendations.....	9
IV.	COUNTY AUDIT OF FINANCIAL STATEMENTS	
	Findings.....	10
	Recommendations.....	11
V.	NATIVIDAD MEDICAL CENTER A CRISIS IN GOVERNANCE	
	Findings.....	12-14
	Recommendations.....	15-16
VI.	INTERNAL AUDITS BY AUDITOR-CONTROLLER	
	Findings.....	17
	Recommendation.....	18
VII.	AFFORDABLE HOUSING ON THE MONTEREY PENINSULA: A Regional Problem Requires a Regional Solution	
	Findings.....	19-20
	Recommendations.....	21-23
VIII.	HAVE WE IGNORED THE PROBATION DEPARTMENT?	
	Findings.....	24-25
	Recommendations.....	26
IX.	WORKFORCE INVESTMENT BOARD.....	27

**MONTEREY COUNTY SHERIFF'S DEPARTMENT**

**FINDING #1:** The Jail is overcrowded.

**RESPONSE:** Agree. The Board of Corrections rated the jail for 813 inmates. The inmate count was 1142 on 2-5-04. The average daily population for the year 2003 was 1040 inmates. Though the jail presently has 1335 available beds the different classifications of inmates makes it very difficult to safely house that number. The number four finding of the Grand Jury Report states: "Despite the Jail overcrowding, budget constraints, and the reduced complement of correctional officers (Deputy Sheriff's), the Jail is being managed adequately."

**FINDING #2:** The high cost of housing in Monterey County contributes substantially to the Department staffing problems. Recruiting is adversely effected. When presently employed Department personnel have difficulty in finding adequate housing for themselves and their families in Monterey County, they tend to seek new employment in departments where pay is higher or in locations with lower housing costs. Staff turnover and shortages contribute to other Departmental management problems.

**RESPONSE:** Agree. With the present budget constraints there is no funding available to address this issue.

**GRAND JURY FINAL REPORT TITLED: Monterey County Sheriff's Department**  
**RESPONSE TO RECOMMENDATIONS by: Sheriff's Department (Monterey County Board of Supervisors)**

**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** A supplementary housing allowance program, similar in concept to the City of Seaside's program for its law enforcement employees, should be investigated cooperatively by the Sheriff's Department staff and the County Administrative Officer's staff. The results of this joint investigation should be presented to the Monterey County Board of Supervisors as part of an "affordable housing" plan to insure recruitment and retention of critical County employees.

**RESPONSE:** The Sheriff's Office understands that this recommendation will not be implemented because there is no funding available. This recommendation is included in the Sheriff's Office ten-year Strategic Plan. This recommendation is supported but with the lack of funding in both the Sheriff's Office and the County Administrators Office budgets, this recommendation is not feasible at this time.

**RECOMMENDATION #2:** A prisoner overcrowding relief program should be developed cooperatively by the Sheriff's Department staff and the County Administrative Officer's staff and presented to the Monterey County Board of Supervisors for funding in the next budget.

**RESPONSE:** The Sheriff's Office has not yet implemented this recommendation, but it will be implemented in the future. The Sheriff's Office is working collectively with the Criminal Justice Partners Committee to put together such a program. In addition the Sheriff's Office is also developing an inmate release program as part of their fiscal year 04/05 budget proposal to the Board of Supervisors. This program would involve several different release options including:

- Penal Code Section 4018.6, which is a three-day early release program that can be implemented by the Sheriff
- Section 4024.1 PC, an accelerated release that allows inmates to be released as much as thirty-days early, but requires authorization by the Presiding Judge
- Section 853.6 PC that authorizes the O.R. (Own Recognizance) release of most misdemeanor arrests
- Section 3074 PC governing the County's Sheriff Parole Program that guides and authorizes the supervised release of sentenced inmates.

Other than the O.R. option all of these sections allow only the release of sentenced inmates. An additional alternative would be the O.R. release of "lightweight" felony inmates. Arrest charges that would qualify as "lightweight" include, but are not limited to, the following:

- Petty theft with a prior 666/484 PC
- Battery on a peace officer 243(B) PC
- Threats of Violence 422 PC
- Burglary 459 PC
- Carrying a concealed weapon 12025(A)(1) PC
- Several controlled substances charges
- Driving Under the Influence with up to three prior convictions, etc.



**MONTEREY COUNTY PLANNING AND BUILDING INSPECTION DEPARTMENT**

**FINDING #1:** Reorganization changes have been implemented and are having positive effects:

- (a) The establishment of two Management Specialist positions to oversee the implementation of the changes in Department process was instrumental in the speed with which the reorganization was accomplished.

**RESPONSE:** Agree. Both positions may be eliminated due to budget decrease.

**FINDING #1 (b):** The Planning and Building Inspection Department has established specific policies in the customer service area, i.e., customer calls are to be returned within 24 hours, customer service goals in the permit center include a maximum 15-minute wait and 20 minutes to process a building permit application. An Ombudsman position was established in December 2002, and most recently, a Citizen Complaint process that provides timely follow-up with the complaint.

**RESPONSE:** Agree.

**FINDING #1 (c):** Significant improvement in data management has been realized by implementing department-wide access to four new software programs (Permit Plus, Advantage, Questys and Arc-IMS.) Another program, Velocity Hall (on-line permits), has been implemented for 20 types of Permits (website:<http://www.co.monterey.ca.us/pbi>).

**RESPONSE:** Agree.

**FINDING #1 (d):** By creating a Personnel Analyst position, the approved position vacancy rate has dropped from 29% to 13%.

**RESPONSE:** Agree. The position has been eliminated as part of the budget reduction since the position is no longer essential due to very limited hiring during the hiring freeze.

**FINDING #1 (e):** Building inspectors are now providing next day inspections for 98% of inspection requests. They conduct inspections of 95% of all reports of building code violations by the end of the next day.

**RESPONSE:** Agree. As Inspectors take on the burden of plan checking to help meet decreased budget goals inspection turn around time may increase.

**FINDING #2:** The Planning and Building Inspection Department has established a communication process to insure consistency of policy interpretation by both management and staff through weekly meetings that include training and presentations by specialists on technical issues, and updating the staff website regularly with any newly adopted policies or procedures.

**RESPONSE:** Agree.

**Continued ... MONTEREY COUNTY PLANNING AND BUILDING INSPECTION  
DEPARTMENT**

**FINDING #3:** The Planning and Building Inspection Department has developed a plan titled "Preliminary Goals / Initiatives FY 2003/2004" for continued improvement, yet it lacks the specific milestones and accountability to insure that improvements will be achieved and changes will be sustainable.

**RESPONSE:** Agree. The milestones have been added and attached as a response to the Grand Jury Recommendations.

**FINDING #4:** A Citizen Complaint Policy was inaugurated in June 2003. Complaints regarding an employee's demeanor or departmental procedure can be made in writing using a complaint form or may be made orally by phone. Complaints received are entered and tracked using software designed for that purpose.

**RESPONSE:** Agree.

**FINDING #5:** In reviewing complaints received this year the Grand Jury found that there were acts and omissions made by both sides, which inhibited effective communication and resolution of the problems.

**RESPONSE:** Agree. The Planning and Building Inspection Department is working to assist the applicant to better respond to our requests and have staff more clearly explain the requirements.

**FINDING #6:** Some high profile complaints, which are referred to the Department by the Board of Supervisors or the County Administrative Officer (CAO), are assigned to an Ombudsperson. These matters generally require interdepartmental consultation, or involve departmental policy/process breakdowns.

**RESPONSE:** Agree. The Ombudsman position has been eliminated. The Director and Assistant Directors now handle the tasks.

**FINDING #7:** The Zucker Interim Report recommendations for a cross-training program and creation of a Combined Inspector classification have not been implemented.

**RESPONSE:** Partially agree. See response to Recommendation #4.



**GRAND JURY FINAL REPORT TITLED: Monterey County Planning and Building Inspection Department**

**RESPONSE TO RECOMMENDATIONS by: Planning and Building Inspection Department (Monterey County Board of Supervisors)**

**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** The Planning Department should add target dates with milestones and accountability to the "Preliminary Goals/Initiatives FY 2003/2004" plan to improve service. The Board of Supervisors, as well as the County Administrative Officer, should review the progress and timeliness achieved under the plan.

**RESPONSE:** Agree. The recommendation has been implemented. See attached document "Preliminary Goals/Initiatives FY 2003/2004" and the additional reports that monitor the productivity of the department. (ATTACHMENT A)

**RECOMMENDATION #2:** The County Administrative Officer, as well as the Board of Supervisors, should consider some budget actions, other than the across the board reduction approach currently in use, to insure that continued and sustainable timely improvements are made in this department.

**RESPONSE:** Partially agree. The Board of Supervisors will set priorities but public safety and health are likely to be a higher priority. Efforts will be made to retain improvements to the degree possible. The Planning and Building Inspection Department is being reduced to one permit center and reorganized to become more efficient while introducing permit process change to simplify the process to allow a smaller department to continue to serve the public at an acceptable service level.

**RECOMMENDATION #3:** The Citizen Complaint Policy of the Planning Department (June 2, 2003) is too new for this Grand Jury to evaluate. The CAO's staff should make an initial year evaluation report on the Citizen Complaint Policy to the BOS by July 1, 2004.

**RESPONSE:** Agree. The report will be made by July 1, 2004.

**RECOMMENDATION #4:** The Zucker Report recommended changes to the Building Inspection Department to address what they described as a need for a cross-training program. See discussion in Finding 7 above. This change package is currently with the County Administrator's Office, and it should be implemented and funded promptly.

**RESPONSE:** Disagree. In January 2003, the Planning and Building Inspection Department hired Assistant Director/Chief Building Official Brian Washko. Based on Mr. Washko's review and recommendation, the Planning and Building Inspection Department elected not to move forward with the recommended "Combined Inspector" program.



## **COUNTY BUDGET DEVELOPMENT PROCESS**

**FINDING #1:** The computer program for budget and financial reporting in the Auditor-Controller's Department is inadequate for that Department's responsibilities. Completion of an upgrade of software and hardware is not scheduled until August of 2005.

**RESPONSE:** Agree. Budget development at the County is supported by two separate systems: (1) County's core financial system (AFIN), from American Management Systems (AMS), and (2) County developed custom software. The two systems are poorly integrated, collectively do not have the features to support performance budgeting, and grant and capital project budgeting, and are poorly integrated with other County systems such as the payroll system, whose data base includes position data required for budget development.

The replacement of these two systems was targeted for August 2005. The target replacement date was driven by two major factors: (1) support for the core financial system vendor, AMS, was scheduled to end due to the obsolescence of the software used by the County, and (2) the scheduled completion of a county-wide HR/Payroll replacement project.

County budget issues have forced the postponement of the replacement projects for the County's payroll system, core financial system, and County developed custom software associated with budget development. County budget issues necessitate the following immediate actions for these mission critical systems: (1) continued license and support of the existing payroll system, (2) continued license and support of the existing core financial system and County developed custom software, and (3) County evaluation of alternatives to replace, or outsource these systems.

**FINDING #2:** Monthly budget reports comparing budget to revenues and expenditures are cumbersome and difficult to interpret.

**RESPONSE:** Partially agree. Two factors can contribute to the interpretation difficulties: (1) the report layout and (2) system features. The report layout is part of the delivered software. The report layout can be modified, but significant improvements are not achievable. The system features that support budget development and tracking budget versus actual expenditures / revenues can constrain reporting of budget development and budget tracking. Interpretation difficulties attributable to system features cannot be addressed until the systems are replaced.

**FINDING #3:** Budget reports are reviewed for accountability differences (variations from planned spending) monthly in the County Administrator's Office, and a report is prepared quarterly for review by the Board of Supervisors.

**RESPONSE:** Agree.

**Continued ... County Budget Development Process**

**FINDING #4:** Some Departments are developing performance objectives and goals and including this information in their budgets. This procedure develops the information necessary to determine efficiency and effectiveness of the operations of the Department, including cost areas.

**RESPONSE:** Partially agree. Performance goals and objectives couldn't be defined within the Department's current systems. Therefore, performance measurements, to the degree they are calculated and reported by departments, are performed outside the Department's existing systems. This implies that other "shadow" systems are used to define, capture actual amounts and calculate these performance measures.

**FINDING #5:** Overall, the 2003-2004 budget was comprehensive, informative and readable.

**RESPONSE:** Agree.

**GRAND JURY FINAL REPORT TITLED: County Budget Development Process**  
**RESPONSE TO RECOMMENDATIONS by: Auditor-Controller (Monterey County Board of Supervisors)**  
**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** Funds must be allocated to accelerate the installation of more up-to-date computer programs for the accounting and budget reporting programs in the Auditor-Controller's Department.

**RESPONSE:** Partially agree. The County's core financial system and County developed, custom software associated with budget development need replacement. The County's core financial system vendor, American Management Systems (AMS), has announced plans to suspend support in July 2005, for the County's current system due to product obsolescence.

The new software needs to provide the County with the features necessary for adequate financial reporting and control. The new software forms the underlying foundation for effective and efficient business processes necessary to transform the current, manually intensive business processes. Finally, the new software must form the foundation to extend the County's business processes to the Internet, and improve citizen, vendor and employee interaction with the County.

The County Counsel is currently reviewing legal action to force continued maintenance of these systems. No funds have yet been allocated for replacements.

**RECOMMENDATION #2:** The County's fiscal year begins July 1. The County should revisit the target completion date for the installation of new software and hardware with the goal of moving the target date to May 2005 or sooner rather than August 2005.

**RESPONSE:** Disagree. Due to the County's budget issues, replacement projects, rather than accelerating, will be postponed. The Auditor-Controller has formed a committee of department heads to examine all the options associated with the replacement of the County's payroll, core financial and custom budget software. The County's due diligence will include a cost / benefit analysis of each alternative and the service levels / risks associated with each alternative. Each alternative will include any changes in required County resource levels.



**COUNTY AUDIT OF FINANCIAL SYSTEMS**

**FINDING #1:** The County audited Financial Reports for the year ended June 30, 2002, complied with the new GASB-34 accounting standards.

**RESPONSE:** Agree. The County of Monterey distributed GASB 34 compliant statements for the first time, for the year ended June 30, 2002. Proforma GASB 34 compliant statements were prepared for internal use, for the year ended June 30, 2001, but not distributed. The year ended June 30, 2001 also saw the County of Monterey prepare it's first Comprehensive Annual Financial Report containing a substantial amount of additional information beyond the financial reports previously issued by the County.

**FINDING #2:** While the final CPA Audit Report was issued March 13, 2003, due to the need for additional information from Natividad, the corrected audited Financial Statements for the County was not available until April 15, 2003.

**RESPONSE:** Agree. Changing conditions at the hospital required additional disclosure and revisions by the outside auditors to the original report issued March 13, 2003.

**FINDING #3:** The statistical information added by the County to the Financial Statements did not always agree with the audited statements. Upon request, responsible officials did provide logical explanations for these differences.

**RESPONSE:** Agree. Several changes to the original financial statements issued by the outside auditors were not made to the statistical information section of the revised financial statements.

**FINDING #4:** This was an unusual year with drastic reductions in revenue and other problems that diverted the attention of many of those involved in administration.

**RESPONSE:** Agree. The difficult situation faced by public hospitals and local government in the State of California has caused many complications in preparing the annual Comprehensive Financial Report.

**FINDING #5:** To produce and organize the financial and budget data essential to the performance of its Department responsibilities, the Auditor-Controller's Department is dependent on obsolete software systems, which are inadequate for the requirements. The upgrade of the current system's hardware and software is not scheduled for completion until August 2005.

**RESPONSE:** Agree. As of the time of the Grand Jury's review this was accurate. Currently, however, the belief is that the upgrade will not be completed by August 2005.

**FINDING #6:** Natividad is audited as a separate entity. However, it currently is under the complete financial supervision of the Board of Supervisors.

**RESPONSE:** Agree. NMC is an enterprise fund and is thus subject to different accounting rules and methods than the rest of Monterey County.

**GRAND JURY FINAL REPORT TITLED: County Audit of Financial Systems**  
**RESPONSE TO RECOMMENDATIONS by: Auditor-Controller (Monterey County Board of Supervisors)**  
**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** A definite date should be established for the audited Financial Statements report to be available, no later than the middle of November for a fiscal year ending on June 30, sooner if possible.

**RESPONSE:** Disagree. Fieldwork for the County's outside audit is done the second week of October (the earliest field work date of any of the counties done by the County's outside auditors). Draft statements are available in early November and it takes about 30 days to review, revise and prepare the County's MD&A, Transmittal Letter and Statistical information. The County's current goal is to have final statements ready to be printed in early December and final statements ready for distribution available by December 31st. The Government Finance Officers Association (the reviewer of Government Finance Statements) believes statements should be available by December 31<sup>st</sup> for years ending June 30<sup>th</sup>. While circumstances outside the Auditor Controller's control have prevented this from occurring the last two years, having statements distributed by December 31<sup>st</sup> is a reasonable expectation.

**RECOMMENDATION #2:** Authors of Monterey County Financial Reports should prepare statistical information needed ahead of time and footnote or add additional explanation as needed. While the final CPA audit report was issued March 18, 2003, due to the need for additional needed information from Natividad, the corrected audited financial statements for the County were not available until April 15, 2003.

**RESPONSE:** Agreed, this is already done every year. The only problem with doing the statistical information ahead of time can be found in Finding #3, that is the information changes up till the final statements are issued. Upon completion of the outside audit report it takes several weeks for us to receive, review, add the remainder of the report and have them printed by Graphics. Last year covers had to be reprinted because of the revision adding time to the process.

**RECOMMENDATION #3:** Include Natividad's financial report in the County's financial statements.

**RESPONSE:** Agree. Natividad is an enterprise fund and its financial statements are included as part of the County's financial statements.

**RECOMMENDATION #4:** Accelerate the installation schedule for the proposed new data system from August 2005 to April 2005, to allow for its use in the fiscal year ending June 30, 2005.

**RESPONSE:** Agree. The Auditor-Controller believes this is desirable, however due to County financial issues it appears unlikely that the new system will be implemented even by August 2005.



**NATIVIDAD MEDICAL CENTER A CRISIS IN GOVERNANCE**

**FINDING #1:** A BOS appointee to the Board of Trustees is not required to have any specific medical, legal, or financial or administrative knowledge.

**RESPONSE:** Agree.

**FINDING #2:** BOS appointments to the Natividad's Board often are driven by considerations of social standing, race, or political impact, rather than needed skills which the appointee could contribute to the Natividad governance.

**RESPONSE:** Disagree. The Board of Supervisors has sought to represent the community, users and a public perspective on the Board of Trustees. The composition is under review by the Board of Supervisors.

**FINDING #3:** The Natividad Board no longer has authority to act, nor has it previously appeared to act, in a manner consistent with a Board role.

**RESPONSE:** Partially agree. The Board of Trustees no longer has the authority it exercised previously, but changes in the Board's role were made to comply with state law.

**FINDING #4:** The BOS historically rubber-stamped actions from Natividad with little oversight, i.e., items frequently were part of the Consent Agenda and not carefully reviewed.

**RESPONSE:** Disagree. Based on earlier legal opinions, many items did not come to the Board of Supervisors but were determined by the Board of Trustees. Questions regarding the legality of that process several years ago resulted in conformance of the hospitals practices with state law and with standard County practice. The Board has never rubber-stamped recommendations and has carefully reviewed NMC items since they began being placed on the Board of Supervisors agenda.

**FINDING #5:** The BOS is not adequately informed, and cannot be due to the demands made by their positions as Supervisors, nor do they have the requisite knowledge to effectively run Natividad.

**RESPONSE:** Disagree. The Board of Supervisors is not expert on any individual professional field in County government. Their job is not to second-guess medical, engineering or legal advice provided by their staff. They are however charged with assuring the public is represented in the management of all activities funded with taxpayers' money.

**FINDING #6:** The current process of review of all economic actions taken at Natividad is cumbersome, counterproductive and inefficient.

**RESPONSE:** Agree. The process is required however until the financial condition of the hospital is stabilized.



**Continued ... NATIVIDAD MEDICAL CENTER A CRISIS IN GOVERNANCE**

**FINDING #7:** The BOS expanded eligibility for free (MIA) medical care in 1988 and 1989.

**RESPONSE:** Disagree. The Board of Supervisors did not expand MIA care. The hospital evolved into providing a level of uncompensated care not authorized by the Board. The expansion of care has been reversed and the MIA program now complies with Board resolutions from the past and currently.

**FINDING #8:** The BOS has not reimbursed Natividad for the cost of that expanded coverage.

**RESPONSE:** Disagree. The Board of Supervisors has provided the resources necessary for Natividad to operate and at substantial General Fund cost.

**FINDING #9:** Natividad has absorbed \$17.5 million in cumulative unfounded program expenses since 1994.

**RESPONSE:** Disagree. The MIA Program was not specifically funded, but the losses were made up by cash advances from the General Fund. The operations of Natividad were not reduced to meet these expenses.

**FINDING #10:** Natividad failed to collect over \$1 million annually due to ineffective or incomplete financial data gathering during patient intake procedures. These problems include: failure to establish patient identity, failure to identify patients' insurance coverage, if any, and failure to collect appropriate co-pay fees from patients prior to discharge.

**RESPONSE:** Agree. Steps have been taken to minimize incomplete and inaccurate financial data acquisition from patients and to collect co-pay fees where appropriate.

**FINDING #11:** Natividad's training and supervision of personnel responsible for collecting co-payments and insurance data has been ineffective.

**RESPONSE:** Agree. Steps to improve the training and supervision have been implemented

**FINDING #12:** There has been no centralized purchasing and contract authority.

**RESPONSE:** Agree. This was the case, but all purchasing and contract authority over \$300 now has been centralized.

**FINDING #13:** Procedures and responsibility for ensuring the proper accounting coding of medical services provided have been ineffective.

**RESPONSE:** Agree. This problem is being addressed and corrected.

**Continued ... NATIVIDAD MEDICAL CENTER A CRISIS IN GOVERNANCE**

**FINDING #14:** While the average age of accounts receivable has been reduced in the past year, a requirement for regular periodic reporting to Natividad's management and the BOS could serve to assure that attention to this problem area remains focused.

**RESPONSE:** Agree.

**FINDING #15:** Natividad's strategic plan is not supported by the operational components such as information technology, purchasing, and labor.

**RESPONSE:** Disagree. The strategic plan will be regularly reviewed by the Board and supported as appropriate.

**GRAND JURY FINAL REPORT TITLED: Natividad Medical Center A Crisis in Governance**  
**RESPONSE TO RECOMMENDATIONS by: Natividad Medical Center (Monterey County Board of Supervisors)**  
**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** The Board of Supervisors should immediately enact a form of governance for Natividad which provides appropriate independence from the County in order to allow Natividad to competitively seek out professional staff without the County restrictions.

**RESPONSE:** The Board is reviewing all governance options.

**RECOMMENDATION #2:** The day-to-day operations of the hospital must be left in the hands of professional hospital management. The hospital must be run pursuant to sound business and financial practices.

**RESPONSE:** This is being done at the present time.

**RECOMMENDATION #3:** All involved levels of governance (hospital management, Board of Trustees, CAO, and BOS) must agree on and support a mission for the hospital and on the specific means of its implementation.

**RESPONSE:** There is at present an agreed upon mission statement and the budget as adopted serves as the specific means of its implementation.

**RECOMMENDATION #4:** The Board needs to develop a system whereby key components of its long-range strategic planning process are carefully monitored and managed so that operational activities link to the strategic plan.

**RESPONSE:** The Board does tie specific activities to its strategic plan and staff will review strengthening this activity.

**RECOMMENDATION #5:** The Board must be comprised of persons with a high level of expertise in one or more areas relevant to the management of the hospital; e.g., medical, business, financial, administrative, etc.

**RESPONSE:** The Board of Supervisors is considering a restructure of the Board of Trustees as part of the 60-day review of the hospital.

**RECOMMENDATION #6:** Appointments to the Board should not be based on political affiliation, ethnic, or demographic considerations.

**RESPONSE:** Board appointments may be restricted by expertise under a restructure if that appears warranted at the close of the review. However, seeking diversity and the perspective of hospital customers is recognized to have value.



Continued ...

**GRAND JURY FINAL REPORT TITLED: Natividad Medical Center A Crisis in Governance**  
**RESPONSE TO RECOMMENDATIONS by: Natividad Medical Center (Monterey County Board of Supervisors)**

[As required by Section 933.05(b) California Penal Code]

**RECOMMENDATION #7:** The Board should continue to implement programs to retrain personnel on patient intake procedures, identification of patients and their insurance coverage. The Board should instill an understanding that the collection of some contributory payment from all patients is essential to the continuing financial health of Natividad.

**RESPONSE:** The Board is and will continue to stress collection as a means to retain hospital services.

**RECOMMENDATION #8:** The Board should designate a specific administrator who will be responsible for monitoring the progress of the improvement and intake procedures and establish a regular schedule for reporting progress to senior Natividad management and to the Board.

**RESPONSE:** The new CEO will be charged with monitoring progress on intake and billing procedures.

**RECOMMENDATION #9:** The Natividad CEO should establish a more effective system for assuring that all medical services are correctly coded and reported on a current basis.

**RESPONSE:** A revenue optimization committee has been established which meets weekly to monitor the revenue cycle process. As a result of this committee's oversight functions, coding errors as a cause for delayed or denied claims has been reduced significantly.

**RECOMMENDATION #10:** The Natividad CEO should establish a regular reporting schedule for the Chief Financial Officer to report on:

- a) The current status of accounts receivable and efforts to reduce the age of accounts;
- b) The continuing success of using an outsource collection agency.

**RESPONSE:** The CFO reports monthly to the CEO, the Board of Trustees and the Budget Committee of the Board of Supervisors on the status of accounts receivable and the results of the outsourced collection agency.

**RECOMMENDATION #11:** The Natividad CEO should formalize the position of Purchasing Manager, and establish clear procedures ensuring the manger's control over purchases for Natividad.

**RESPONSE:** Clear procedures governing purchases have been developed and implemented. Purchasing remains the province of General Services except for emergency items. A strong Materials Management system, which covers receipts, payments, distribution, and control of goods and services, needs to be maintained.

**RECOMMENDATION #12:** The BOS should fully fund the MIA program.

**RESPONSE:** With the reductions in MIA eligibility and benefits, the MIA program for 2003-2004 is fully funded by the BOS.

**INTERNAL AUDITS BY AUDITOR CONTROLLER**

**FINDING #1:** Staffing of internal auditors is below what is needed.

**RESPONSE:** Agree. This area has been cut to the bare bones due to budget constraints and other priorities.

**FINDING #2:** The internal auditing function is a needed and important function of the Auditor-Controller's Office. Currently Monterey County has the lowest ratio of internal auditors for any county of its size. Concurrently, the County has the highest ratio of hotels per capita in the entire state, with the exception of San Francisco.

**RESPONSE:** Agree. The revenue generated from Transient Occupancy Tax audits alone offsets the cost of half the internal audit division.

**FINDING #3:** The auditing function of the TOT is needed in an ongoing basis and has been demonstrated to be a revenue-producer.

**RESPONSE:** Agree.

**FINDING #4:** The Auditor-Controller recognizes that it is essential that all departments are reviewed on a regular basis (for good business practices and financial responsibility).

**RESPONSE:** Agree. Staffing is currently not adequate to carry out this review process.

**FINDING #5:** The Auditor-Controller acknowledges that "operational audits" can improve the effectiveness of all departments when performance measures are developed and the internal audit compares the operations against these performance goals.

**RESPONSE:** Agree. The Auditor-Controller would like to staff the division in a manner to provide resources to perform regular operational audits.

**GRAND JURY FINAL REPORT TITLED: Internal Audits by Auditor-Controller**  
**RESPONSE TO RECOMMENDATIONS by: Auditor-Controller (Monterey County Board of Supervisors)**

**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** Increase staffing of internal auditors.

**RESPONSE:** Agree. When funding is available this would be a wise use of County funds.

**RECOMMENDATION #2:** Develop an auditing program for review of all departments on a rotating basis.

**RESPONSE:** Agree. When adequate resources are available, the Auditor-Controller plans on implementing such a program.

**RECOMMENDATION #3:** Continue developing performance measures for all departments and combine operational audits of performance with regular internal audits.

**RESPONSE:** Partially Agree. Performance measures should be developed by each department in conjunction with their analyst from the CAO's office. When resources allow the Auditor-Controller will include such performance measure review when performing operational audits.

**RECOMMENDATION #4:** Continue auditing the TOT, as needed in the unincorporated areas. Consider encouraging other cities to audit this Tax, and possibly some plan could be worked out with these cities to have the County do this for proper consideration from the cities.

**RESPONSE:** Agree. This has been done with some cities and will continue to be explored whenever it makes economic sense.



**AFFORDABLE HOUSING ON THE MONTEREY PENINSULA: A Regional Problem Requires a Regional Solution**

**FINDING #1:** The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.

**RESPONSE:** Agree. As documented in detail in both the 2004 Annual Housing Report and in the recently adopted Housing Element, the lack of affordable housing continues to be one of the most critical issues facing Monterey County. Residential building activity has dropped significantly while the cost of housing continues to rise. Less than 23% of the households living in the County can afford to purchase the median priced home. The vacancy rate for rental housing is extremely low. Very little rental housing is being constructed and housing for special needs populations continues to be in short supply relative to the demand.

**FINDING #2:** Political, economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.

**RESPONSE:** Agree. In pursuing affordable housing it is important to balance housing, social, economic, and political considerations in a way that promotes sustainable urban communities.

The County Board of Supervisors is responsible for establishing land use policy guiding the direction and timing of new growth. In pursuing this objective, the new draft Monterey County General Plan provides that new housing is best achieved by focusing growth in designated areas like Fort Ord and Castroville. This approach ensures that future homeowners and renters have access to a full range of community amenities, environmental impacts are minimized, and project/community economics are maximized. Further, the current residents have an opportunity to participate in the community planning process to ensure that new housing is achieved based on local perspectives and input.

**FINDING #3:** Affordable housing/home ownership is critical to the economic and social health of Monterey County.

**RESPONSE:** Agree. A recent survey of employers in Monterey County indicates that lack of safe, decent, and affordable housing is beginning to affect the economic and social health of Monterey County for the following reasons:

- Over occupancy of housing in existing neighborhoods is placing increased pressure on available service delivery and infrastructure.
- The cost of available housing provides a significant disincentive to new businesses looking to relocate to the Monterey County Area.
- Existing businesses are finding it increasingly difficult to retain and attract qualified workers due to the high cost of housing.
- Traffic congestion is increasing as workers relocate to more affordable areas in order to find affordable housing units.

**Continued ... AFFORDABLE HOUSING ON THE MONTEREY PENINSULA: A Regional Problem Requires a Regional Solution**

**FINDING #4:** The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.

**RESPONSE:** Agree. The fiscal consequences of growth and development is an issue of growing concern, particularly in this period of increased budgetary consequences. Staff of the Fort Ord Reuse Authority estimates that affordable/workforce housing results in a local revenue shortfall some where between \$400 - \$ 900 annually per unit. As such, significant incentive exists for all local land use jurisdictions to pursue commercial, industrial, and high end housing in order to alleviate the fiscal burden of new growth and help balance projected budget deficits.

**FINDING #5:** Affordable housing thresholds in the range 30% to 50% are achievable.

**RESPONSE:** Disagree. The County Board of Supervisors has established policy encouraging projects with high levels of affordable housing. It is important to note, however, that the economic feasibility of affordable housing must be considered on a case-by-case basis. Economic analysis of the proposed East Garrison Specific Plan indicates that high levels of affordable housing will have a negative impact on the economic feasibility of the project. Historic preservation, environmental, and service/infrastructure requirements of the site create significant project costs, not encountered in "greenfield" development projects.

**FINDING #6:** The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.

**RESPONSE:** Agree. Creation of a countywide Community Housing Trust (CHT) could provide an effective mechanism to promote regional cooperation and provide funds for housing projects. As noted in the FORA staff report of January 9, 2004:

"The primary purpose of the CHT will be to solicit funds and provide the expertise and mechanisms that will help achieve workforce housing, with ancillary benefit to affordable housing efforts, as well as other projects accessible to mixed income brackets. The CHT will primarily provide a financial structure to accumulate and leverage funds, to assist individual home buyers by providing first and second deeds of trust, interest rate write downs, gap financing, and other approaches, whether for programs, projects, or jurisdictions."



**GRAND JURY FINAL REPORT TITLED: Affordable Housing on the Monterey Peninsula: A Regional Problem Requires a Regional Solution**

**RESPONSE TO RECOMMENDATIONS by: Housing & Redevelopment Board of Supervisors  
[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their "fair share" of the countywide need for additional affordable housing.

**RESPONSE:** The County Board of Supervisors has initiated efforts to implement this recommendation. In October 2003, the County Board of Supervisors approved a new Housing Element. The document provides a long-term strategy designed to encourage the creation of new housing. The 2004 Annual Housing Report includes a detailed strategy designed to move the policies and programs of the Housing Element into action. The document provides the following priorities to be accomplished in 2004.

**CREATE NEW HOUSING**

- Facilitate the preparation of land available for new housing construction to serve the residents and workforce of Monterey County through the current community planning and specific planning efforts.
- Work to reduce barriers to new housing production by identifying and implementing changes to existing regulations and processes that are redundant, unnecessary, or ineffective.
- Implement an affordable housing developer incentive program, facilitate infrastructure improvement efforts, rezone property to allow the densities and housing types appropriate to achieve affordable housing, and implement an affordable housing overlay program to specifically assist projects that meet the County's housing needs.
- Work in partnerships with housing providers to help finance and build new multi-family rental housing to serve very low and low-income households.
- Work in partnership with private market developers to implement mixed income and mixed use projects in target community growth areas, including: Boronda, Castroville, Pajaro, and Fort Ord Redevelopment Project Areas; Rancho San Juan Community Planning Area; San Lucas, Chualar, and Las Lomas community areas; and City growth areas.
- Encourage the use of innovative mechanisms to facilitate project implementation, achieve high levels of affordability, and ensure long-term affordability, such as the efforts of the Fort Ord Reuse Authority (FORA) to create a countywide Community Housing Trust.

**MAXIMIZE HOUSING OPPORTUNITIES FROM EXISTING HOUSING STOCK**

- Facilitate the preservation, rehabilitation, and access to existing housing units to maximize opportunities for affordable housing within the existing housing stock.
- Promote the redevelopment of existing substandard units to address housing deficiencies.

**SPECIAL NEEDS HOUSING DEVELOPMENT**

- Promote new or renovated housing for special needs populations including housing for farm workers, service workers, disabled, seniors and other very low income populations who require specialized types of housing not typically provided by the private housing market.



Continued ...

**GRAND JURY FINAL REPORT TITLED: Affordable Housing on the Monterey Peninsula: A Regional Problem Requires a Regional Solution**

**RESPONSE TO RECOMMENDATIONS by: Housing & Redevelopment (Board of Supervisors)**  
**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #2:** Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing Requirements, by creating specialized developer incentives, and by developing funding sources.

**RESPONSE:** The County Board of Supervisors has initiated efforts to implement this recommendation. The County was the first local jurisdiction in Monterey County to increase the requirement for inclusionary housing to 20 percent. Furthermore, in 2003, the County initiated efforts to prepare a program to encourage the development of housing affordable to the County's workforce population. The primary concept behind the program is that the level of development incentives should increase as the level of affordability in a project increases. In November of 2003, the Board of Supervisors identified two "Pilot Projects" that are intended to "test" the program implementation concept and tailor specific development and funding incentives to be included in the program. Information provided as part of the project evaluation process will be used to finalize the recommended program in 2004.

In 2003, efforts were also initiated to formalize the "Affordable Housing Overlay" program, which is intended to be incorporated into the General Plan Update. The program has been structured to be a voluntary option for properties determined to be physically suitable for higher density affordable housing that are close to employment centers. The purpose of this program will be to encourage the development of affordable housing in areas that have a shortage of housing relative to jobs. Projects that are comprised of 100 percent affordable units priced to be commensurate with the wage levels of the area will be allowed specific development incentives and assistance. Projects meeting the specified criteria may also be allowed to proceed in advance of providing regional and sub-regional infrastructure.

**RECOMMENDATION #3:** In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.

**RESPONSE:** See response under Recommendation #4.

**RECOMMENDATION #4:** Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by The Clark Groups and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism whereby cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interests of the entire Peninsula region.



Continued ...

**GRAND JURY FINAL REPORT TITLED: Affordable Housing on the Monterey Peninsula: A Regional Problem Requires a Regional Solution**

**RESPONSE TO RECOMMENDATIONS by: Housing & Redevelopment (Board of Supervisors)**  
**[As required by Section 933.05(b) California Penal Code]**

**RESPONSE:** As a member agency of the Fort Ord Reuse Authority, the County of Monterey has participated in the development and implementation of housing initiatives included in Recommendations No. 3 and No. 4.

The Board of Directors of the Fort Ord Reuse Authority recently adopted policies to encourage collaboration among local land use jurisdictions adopted and has also approved the establishment of a Community Housing Trust to help incentivize the housing production process. The County Board of Supervisors is committed to working with FORA and County-wide land use jurisdictions to move these activities into implementation in 2004. The following information lists the recommendations adopted by the FORA Board on this important issue area:

- “Direct the Fort Ord Reuse Authority (FORA) Administrative Committee to recommend to the Board additive language to the (Fort Ord Base Reuse Plan/Master Resolution Chapter 8) Consistency Determination evaluation process for measuring compliance with the 1997 adopted Fort Ord Base Reuse Plan Jobs/Housing balance provisions. In making its recommendation to the Board, the Administrative Committee shall include measures that provide flexible targets for the percentage of below market housing, over the affordable housing commitment required, to be provided as a match with expected jobs.
- “Adopt the following language: It is the policy of the Fort Ord Reuse Authority that the redevelopment and conversion of the lands of the former Fort Ord shall be carried out so as to provide significant and permanent affordable and workforce housing opportunities for those persons who live and work in the Monterey Bay Region (the tri-county area).
- “Adopt the recommendations of ChaRG (Community Housing and Resources Group) regarding affordability income ranges.
- “That the FORA Board review forms of fiscal relief to the former Fort Ord land use jurisdictions where increased affordable and workforce housing over the state mandated or city adopted minimum standards is encouraged. The FORA Administrative Committee will recommend forms of fiscal relief to the FORA Board of Directors for consideration. The fiscal consequences to jurisdictions of individual projects proposed during the life of the Workforce Housing Special Project will be considered essential when analyzing the feasibility of that project.
- “That the Board adopt the following policy: The Fort Ord Reuse Authority, subject to State of California fair housing and other statutory requirements, supports the Jobs/Housing balance requirements of the 1997 adopted Fort Ord Base Reuse Plan (BRP) by encouraging that residential for-sale units constructed or offered for rent on the lands of the former Fort Ord be offered some form of first priority for rental or sale to individuals who currently live in or work, or are recruited to work, in the Monterey Bay Region. Further, if any such residential unit is resold or is subsequently rented, it would be also encouraged that such residential unit again be offered some form of first priority to individuals who then currently live, work, or are recruited to work, in the Monterey Bay region.”

**HAVE WE IGNORED THE PROBATION DEPARTMENT?**

**FINDING #1:** No County Probation Department in the State of California has ever been decertified because its Juvenile Hall facility did not meet Title 24 standards.

**RESPONSE:** Agree.

**FINDING #2:** Decertification could result in an estimated cost of \$10 million in the fiscal year 2003-2004, which includes cost for staffing, transportation, and housing, etc.

**RESPONSE:** Partially agree. Decertification would result in significant additional costs, but the \$10 million estimate is high based on our current year experience. For fiscal year 2003-04 the County allocated approximately \$1.5 million for the additional costs of housing youth at other facilities.

**FINDING #3:** To retain State certification, the Monterey County Board of Supervisors (BOS) was required to provide a letter of intent to correct the Juvenile Hall building defects.

**RESPONSE:** Agree.

**FINDING #4:** The Probation Department originally proposed that the County consider several offers by companies to build a facility for the County and lease it back on a 30-year "lease-to-purchase" plan.

**RESPONSE:** Agree.

**FINDING#5:** In 2001, the CPO requested permission, by memorandum to the County Administrative Office, to apply for the State Department of Corrections construction funding for a new Juvenile Hall. The funding would have provided 75% of the cost of building a new facility and required only a 25% match from the County. The County opted not to apply for this funding since the required 25% matching funds were allocated for other projects. This option is no longer available.

**RESPONSE:** Agree. This was a decision mutually decided by the CAO and the Chief Probation Officer.

**FINDING #6:** A recent survey – summer 2003 – of the Juvenile Hall structure by the County resulted in a report recommending that the structure was repairable.

**RESPONSE:** Agree.

**FINDING #7:** The repair schedule for Juvenile Hall now appears to be underway.

**RESPONSE:** Agree.



**Continued ... HAVE WE IGNORED THE PROBATION DEPARTMENT?**

**FINDING #8:** The current situation in which the Chief Probation Officer is appointed by the Court, yet is paid by the County, as are his staff, is unique, and a result of recent legislation. This unique situation is one of the contributing factors to recent friction between the Probation Department and the County Administration, which resulted in the inability of the Probation Department to place items on the agenda of the Board of Supervisors.

**RESPONSE:** Partially agree. The relationship of the Chief Probation Officer to the County is unique and the fragmented oversight by the Courts and the County does create some issues. However, the Probation Department has not been prohibited by the County from placing items on the Board of Supervisors Agenda.

**GRAND JURY FINAL REPORT TITLED: Have We Ignored the Probation Department?**  
**RESPONSE TO RECOMMENDATIONS by: County Administrative Office (Board of Supervisors)**  
**[As required by Section 933.05(b) California Penal Code]**

**RECOMMENDATION #1:** The BOS should assure that the Probation Department has necessary access to the Board's agenda.

**RESPONSE:** The recommendation has been implemented in that all County departments, including Probation, have access to the Board's agenda.

**RECOMMENDATION #2:** A Special Joint Committee of three or five members should be established to review operations of the Probation Department on a monthly basis. Members would be selected by the BOS and the Court.

**RESPONSE:** The recommendation will not be implemented. The Board of Supervisors currently has two subcommittees reviewing the activities of the Probation Department. One is specifically focused on the repair of Juvenile Hall, and the other reviews the Departments budget.

**RECOMMENDATION #3:** Grants to or funding for the Probation Department should be reviewed at the highest level of the County government to determine direction and need.

**RESPONSE:** The recommendation has been implemented. The Board of Supervisors reviews and approves all grant and other funding to the Probation Department and all County Departments.

**WORKFORCE INVESTMENT BOARD**

Response to this item will be provided and filed separately.



Monterey County  
Planning and Building Inspection Department  
Building & Grading Division  
Monthly Report  
December 2003

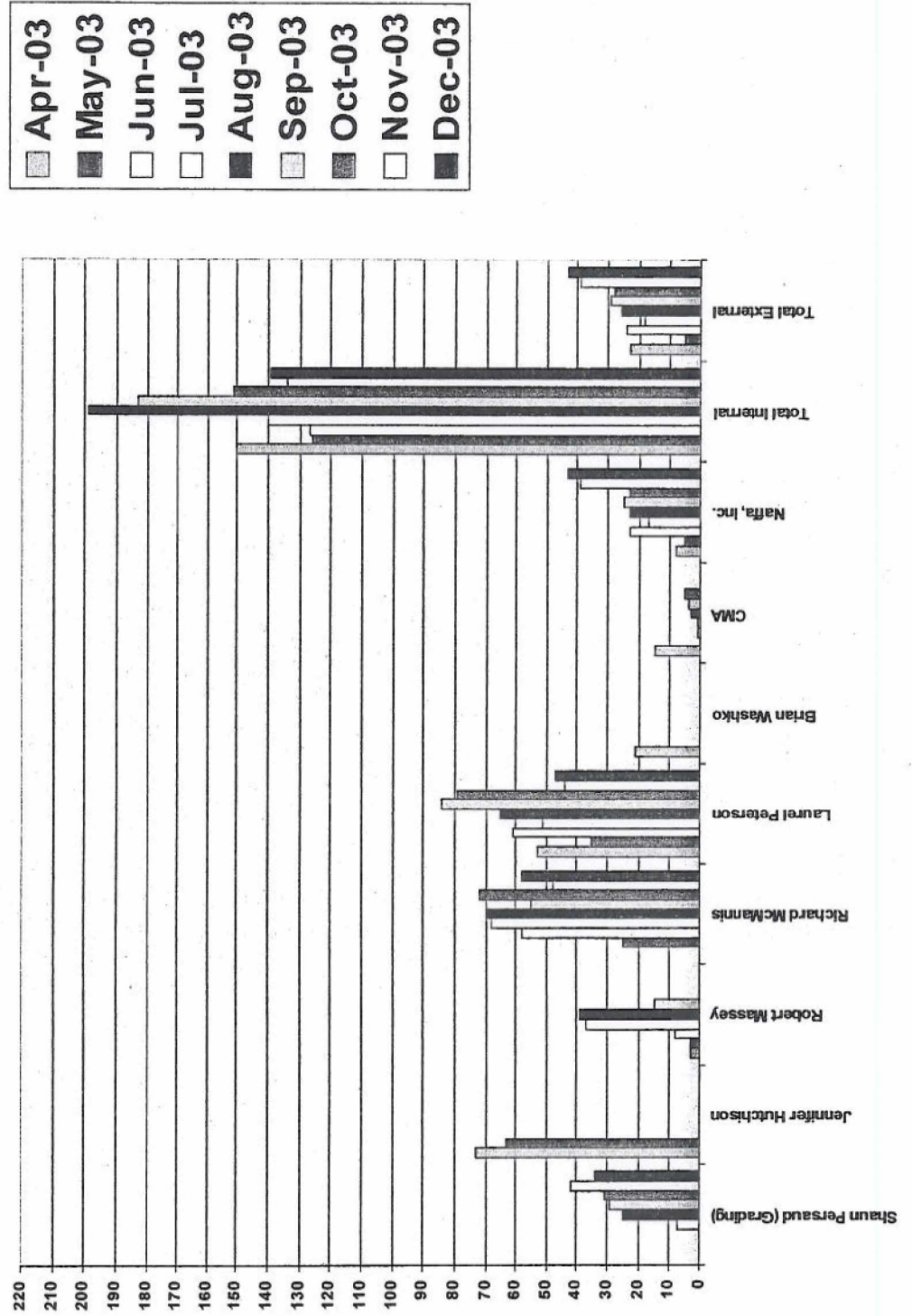


INSPECTIONS												
COASTAL OFFICE										SALINAS OFFICE		
Wendell Montes	April	May	June	July	August	September	October	November	December	Total	Tom Jason	55
David Gran	28	20	31	37	21	33	39	57			Rey Villavicencio	160
Mike Wold	130	80	192	179	185	155	163	94			Phil Rader	291
Patrick Marks	385	356	314	409	317	348	479	339			Dick Jurgens	328
Ron Adams	240	265	216	186	227	225	247	175			Jose Martinez	
Vern Saunders (BHI contract)	27										Total	1113
Lonny Self (BHI contract)	64	1097	1063	1131	977	1036	1208	854				



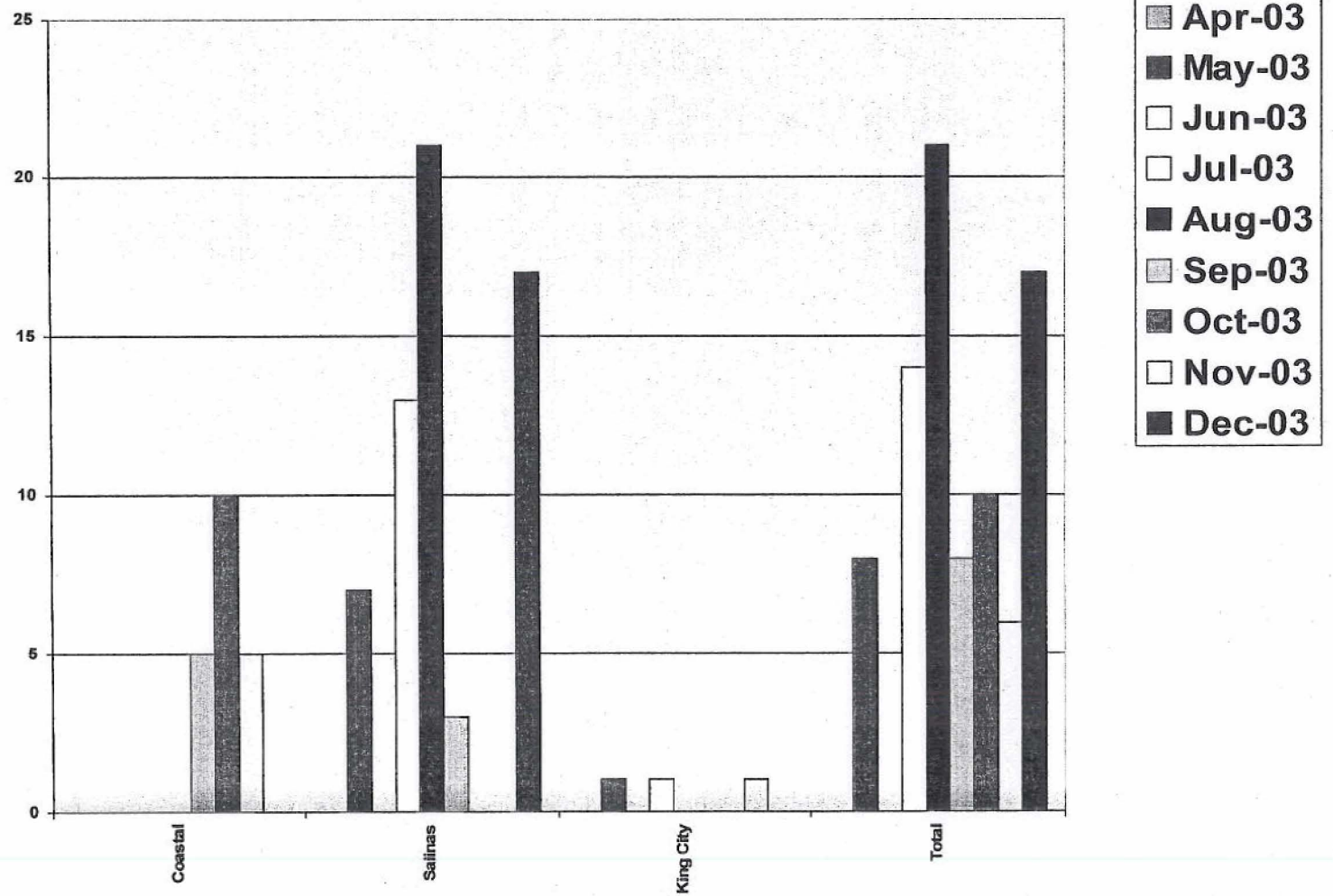


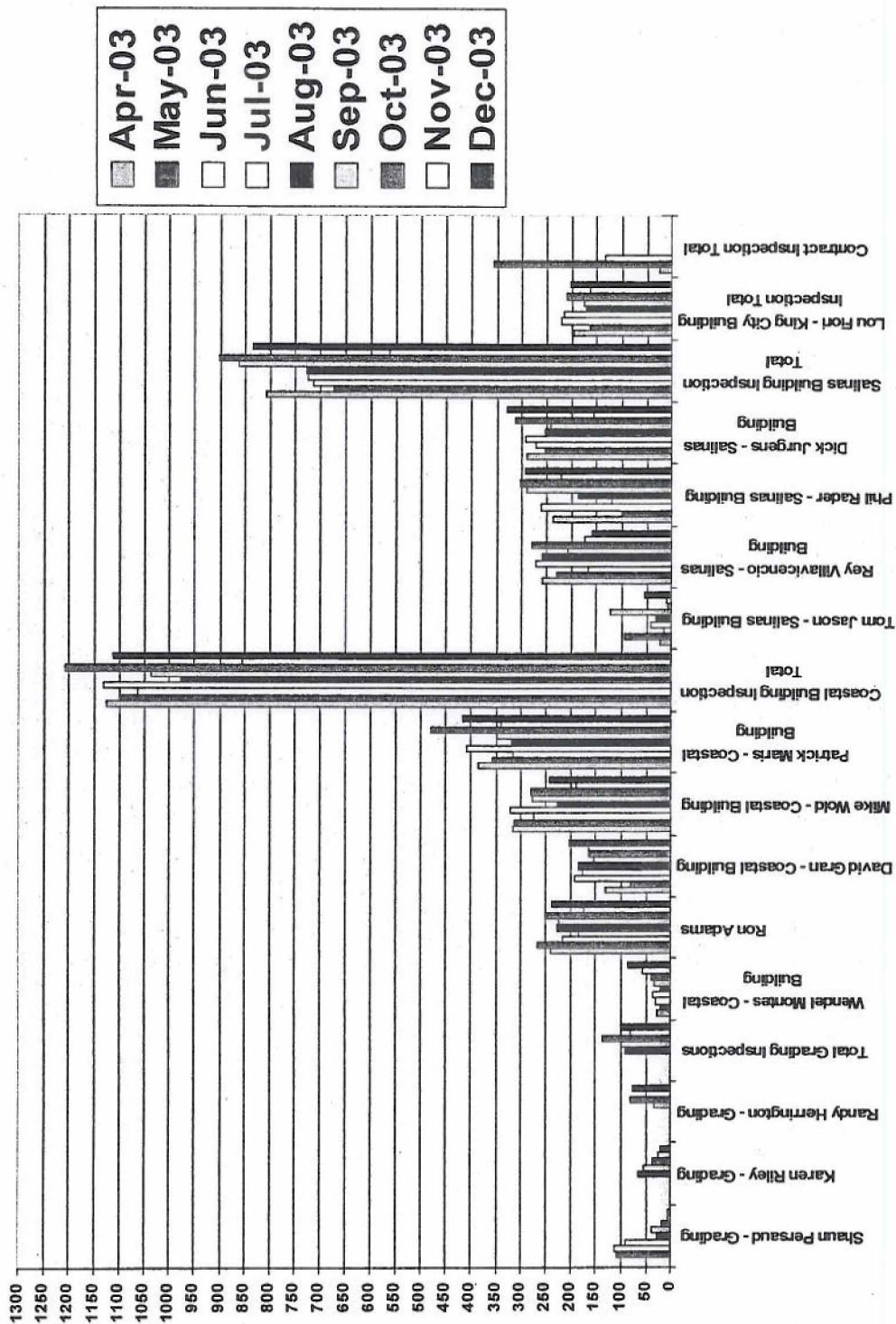
# 2003 PLAN REVIEW MONTHLY COMPARISON





# 2003 RED TAG / STOP WORK NOTICE MONTHLY COMPARISON



[illegible]



Name	Case #	Case Type	APN	Last Action Date	NOTES
NAVARRO TENNIS	CE030158 CE030175	Occupying an enclosed back porch Basement converted to living space	412-042-007-000 125-391-012-000	01/27/2004 01/20/2004	Compliance agreement due date 1/30/04. Paid 756.00 in cost recovery fees on 11/10/03. We are holding a check in his file for 12.00 release fee. He will be applying for a permit some time next week. NO activity, compliance date coming soon. Cami will do a site check to insure compliance or lack there of prior to citation issued (if need be).
JOHNSTON	CE030176	Framing, electric, and sheetrocking	424-091-019-000	01/20/2004	Compliance agreement due date 4/30/04 (Monitor) CITATION letter 1/21/04, DEADLINE 2/2/04, DEBBIE HAS FILE FOR RECORDING 1/21/04
HERNANDEZ DATT	CE030215 CE030320	Converted garage (200 sq. ft.) and converted shed into living area Built 12' high trellis in rear yard	211-101-012-000 915-522-033-000	01/20/2004 01/21/2004	No citations, extension to Nov. 7 as plans are almost complete, at that time citation or compliance agreement. Cami has file. BP033246 APPLIED 12/8/03 NOV letter sent. FILE GIVEN TO Tina for citation letter 1/21/04
WARD	CE030270	Built a shed attached to garage right neighbor	009-572-004-000	01/22/2004	Monitor, FILE GIVEN TO TINA FOR CITATION LETTER 1/22/04
MEZA, M	CE030321	Remodel SFD, new interior framing, electrical, and plumbing	113-121-001-000	01/23/2004	Monitor, OWNER CHANGE: MEZA, changed in P. and on file, old name was Benitez NOV letter to new owner 11/19/03. BP033315 APPLIED 12/8/03
BORMAN	CE030217	Constructed approx 12'W x 16'L x 18' H barn style structure without proper permits or clearances	161-561-006-000	01/23/2004	DA030375 approved 7/11/03. BP031808 applied 7/14/03. (Monitor) **BP IS ABOUT TO EXPIRE. NO INSPECTIONS SCHEDULED AT ALL. NOV recorded 9/10/03. BP031053 approved - clears only portion of violation. Citation letter sent 10/24/03. Citation deadline 11/07/03. On 10/27/03 addidit additional pendency for administrative costs. CAN NOT ISSUE CITATION CASE REFERRED TO DA VIA A ZONING CASE. CEO SPEIRS STATES SHE INCLUDED BUILDING ISSUES IN HER REPORT. DA IS HANDLING/PURSING THE CASE. Cami and Tom went on site visit, see events. Cami, Tom and Lucy are working with Mr Gonzales and attorney to address and resolve issues as Mr. Gonzales is being ordered by the judge to clear his violations. Continually referring him back to the DA as CEO Speirs said had to be done does not resolve his problems nor clear the violations. Citation Letter sent 10/22/03. Pendency sent for additional costs of 124.00. BP033368 APPLIED 12/15/03
GONZALEZ	CE030216	Remodelling main house, occupied shed, built 20 x 20 structure, re-roof main house, and extension cord supplying lites to chicken coops.	113-112-007-000	01/23/2004	FIRST LETTER SENT 10/23/03. NOV letter sent 11/18/03 NOV letter returned. Got new address and sent new NOV letter ON 12/02/03. LETTERS CAME BACK, 3RD ATTEMPT DIFFERENT ADDRESS COMPLIANCE DATE 2/6/04
FITZPATRICK	CE030150	2nd story decks 12' x 36' & side yard fence built exceeding 6' feet in height.	416-027-008-000	01/10/2004	FIRST LETTER SENT 10/23/03 - received VMX msg asking direction on how to resolve violation. Called and said he was going to Marina to apply for permits. NOV letter sent. File given to Tina for Citation letter 1/21/04.
NICHOLAS	CE030339	Structural alteration to a possible fire corridor and through a shear wall. Built a covered work area that is 40' x 25' x 16' high. South wall is part of an existing building (only south side has a wall, other three are open).	015-012-025-000	01/06/2004	
AZEVEDO	CE030340	Concrete block retaining wall approx. 100 ft long and 6 ft high with drain line at the base of wall. 2. A wood post and wood retaining wall in a "v" shape supporting a parking area, approx. 70 ft total length and 6ft high.	169-191-022-000	01/21/2004	
BROWN, S	CE030243	Renting out (3) illegal structures to (3) people with out permits from building site inspection findings: violations include grading, road building, construction of structures used as dwellings w/o permits, and development w/o a coastal development permit.	181-201-914-000	01/26/2004	CITATION LETTER SENT - REQUESTED PICTURES FROM TOM IN ORDER TO ISSUE CITATION. Jose marquez tool pictures 1/26/04, added to file & office link needs citation written 1/27/04
FRANKLIN	CE030019	Fence is too high, replacing tub, adding vent in bathroom. (This complaint was broken out from a zag/bug case BP018418.)	418-101-003-000	01/20/2004	Citation letter sent. Cami has case file. Cami had meeting w/ P.O. and attorney. P.O. CALLED WENDELL TO SCHEDULE AN INSPECTION. WENDELL REFERRED HIM BACK TO CAMI. CAMI TO SET UP MTG W/ WENDELL AND P.O. TO INSPECT PROPERTY. See events
NELSON	CE030343	Remodel to SFD by removing interior walls & adding new ones to bedroom & bath. Strip sheetrock in kitchen. Second kitchen in basement possibly illegal.	418-041-031-000	01/21/2004	letter returned insufficient address, Tina re-mailed to correct address COMPLIANCE DATE 1/18/04. FILE GIVEN TO TINA FOR CITATION LETTER 1/21/04
MEYER, S.	CE000214	Building stairs, retaining walls, and garden walls in r house.	009-112-012-000	01/20/2004	paid fees, just need to resaturc permit, will do when they come in to take care of other violation. See event notes, BP033036 APPLIED
MEYER, S.	CE030347	Sub-standard 1	009-112-012-000	01/20/2004	First letter sent 10/23/03. Brian gave 2 week extension see events notes, BP033036 APPLIED
VEGA, A	CE030139	case.	015-191-003-000	01/23/04	BP031999 applied 8/1/03, DA030394 completed 8/4/03. (Monitor)

Name	Case #	Case Type	APN	Last Action Date	Notes
PARKINSON, R	CE030231	SFD roof, second story addition, and interior remodel	007-282-011-000	01/23/2004	BP032187 applied for 8/21/03. (Monitor)
ASPINWALL, W*	CE030242	Added a 10x16 roof structure to an existing storage building & a 6'x2' glass screen	187-141-014-000	01/22/2004	BP030884 applied for 4/4/03. (Monitor)
GEORIS, W	CE030234	Built a 26' x 9' high tube steel structure w/8 attached nat. gas heaters for an outdoor dining area in a restaurant	187-432-017-000	01/23/2004	Process started all over w/NOV letter due to mishaps with address and owner never receiving letters. We have current correct address. NOV Letter SENT 12/02/03 BP 033293 APPLIED.
CIMINO, D	CE030285	Deck and hot tub installation, addition of closet in master bedroom, converting potting shed and interior remodel.	243-152-002-000	12/15/2003	CORRESPONDENCE TO P.O. what to do. NOTE IN EVENTS PER WENDELL, HOLD ALL
BLADES, T.	CE030353	DOUBLE FEE. Retaining wall over 5' that is 32' on back side and 24' that tapers from 5' to 0' on the two sides. DO NOT	009-142-003-000	01/20/2004	BP033385 APPLIED 12/19/03
MORA, S.	CE030037	Remodel of house w/o permits. Added a new deck 18'x20' with a 6' triangle shape cut out at one end. The deck has 19 new piers.	131-034-013-000	01/23/2004	NOV letter sent. BP032344 Applied 9/8/03. (Monitor)
ANDREW, J	CE030360	2 Travel trailers. 1 storage 12x32 shed w/elec, 1 shed with washer/dryer 6x12, and office trailer. Needs electrical permits.	187-241-016-000	01/24/2004	BP033323 APPLIED 12/15/03
CASTORENA, P.	CE030358	D/V Mobile home addition, LPG tank, hot water heater, plumbing (remodel permit & office trailer onsite w/o bldg.	129-051-043-000	01/24/2004	BP033233 APPLIED 12/15/03
TRAPP, L.	CE030354	Courtyard bench with built in fire place constructed w/o permits.	223-041-025-000	12/15/2003	GAVE PAPERWORK TO TOM TO SCHEDULE INSPECTION.
LEVITT, K	CE030319	Fireplace has a gas line.	009-131-028-000	12/15/2003	NOV letter sent. Wendell Thomas gave indefinite extension due to legal problems with contractor
ARIZMENDIZ, J	CE030356	30' CONVERTED GARAGE TO LIVING AREA, APPEARS THERE IS SOMEONE LIVING IN THE GARAGE. THE MAIN HOUSE IS CURRENTLY UNOCCUPIED, BUT THE OWNER APPEARS TO BE REMODELING OR WORKING ON REPAIRS.	129-101-044-000	01/20/2004	NOV letter sent 1/13/04
MARQUEZ, J	CE030371	occupied storage shed (approx 14' x 14'), and enclosing deck at rear of residence.	211-162-010-000	01/20/2004	Stop Work Notice Posted, File created, NOV Letter sent, 12/03/03 NOV remained 12/23/03, came to paid fees and applied for BP033416 ON 12/29/03 to clear violation. CASE NOT CLOSED DUE TO VIOLATION OF HOUSING CODE, BP NEEDS TO BE FINALIZED BEFORE CASE CAN BE CLOSED.
RAMIREZ	CE030221	CONVERT UNDER FLOOR SPACE TO LIVING AREA	125-431-020-000	01/26/2004	Citation letter sent. NEEDS CITATION. Pics taken 1/26/04
GIORDANO, A	CE030374	OCCUPANCY OF SFD WITHOUT BUILDING DEPARTMENT APPROVALS	009-412-030-000	12/10/2003	NOV letter. WENDELL TO ENTER INTO COMPLIANCE AGREEMENT W/ APPLICANT
ALPERT, T	CE030373	DECK ADDITION (NO PERMITS)	103-051-017-000	01/21/2004	NOV letter. NOTES IN EVENTS FROM WENDELL. FILE GIVEN TO TINA FOR CITATION LETTER 1/21/04
MONTANA, M	CE030359	BUILT A LIVING SPACE OF 364 SQUARE FEET UNDER A PARKING DECK WITH A BATHROOM AND 2 OTHER ROOMS. THE STAIRS TO LIVING SPACE ARE NOT TO CODE AND MISSING A HANDRAIL. BUILT A DECK ONTO FRONT OF A TRAILER.	187-461-017-000	01/14/2004	NOV letter. Received letter requesting to extend compliance date from Dec 19, 2003 to Jan 14, 2004. Granted extension. Wendell has appt w/ owner on Tuesday January 20, 2004 to enter into compliance agreement. COMPLIANCE AGREEMENT IN FILE, NO FEES COLLECTED. NOTICE IN L/H/N TO NOT ISSUE PERMIT UNTIL FEES COLLECTED.
SCHUH, R.	CE030376				



Name	Case #	Case Type	APN	Last Action Date	NOTES
WHEELER, B	CE030377	INSTALLED UNDERSLAB PLUMBING, UNDER SLAB ELECTRICAL CONDUITS FOR FUTURE SFD CONVERSION WITH OUT PLANS, PERMITS OR APPROVALS.	424-151-031-000	01/20/2004	NOV letter. BP030358 applied 11/17/03 (Monitor) Requested a site inspection from Lou and pictures. This was a case received from CEO Valerie Migotti on 11/20/03 in which she addressed the zoning issues closed the case and forwarded the building issue to us. Lou has case file.
KIENBAUM, C	CE020062	Bldg barn converted to a dwelling without permits. AN APPROXIMATELY 4'X6' DORMER CONSTRUCTED ON ROOF OF SFD WITHOUT PERMITS. OTHER VIOLATIONS MAY EXIST, BUT HAVENOT BEEN CONFIRMED TO DATE (ENCLOSED COVERED PORCH ON SFD W/O PERMITS AND POSSIBLE OCCUPANCY OF SHED IN NW CORNER OF REAR YARD).	418-401-022-000	11/26/2003	
ASCENCIO, A	CE030388	ENCLOSING PATIO WITHOUT PERMIT. PATIO IS APPROXIMATELY 25' X 30'. BEHIND EXISTING GARAGE CONVERTED GARAGE (SEALED), 2 POSSIBLY OCCUPIED CAMPERS, EXTENSION CORD RAN TO REAR SHED (CORNER OF PROPERTY) ADDITION AT REAR OF SFD (APPROX. 24' X 28') AND RESIDING COMPLETE BUILDING WITHOUT PROPER PERMITS OR CLEARANCES. NOTE: PORTION OF RESIDENCE HAS NO FOUNDATION.	131-094-002-000	01/20/2004	Camel received complaint and opened case. Spoke with owner at counter w/ Jose Martinez. Has site visit on 11/26/03. NOV sent 12/01/03. BP033255 ISSUED 1/13/04. NO PERMIT FOR TRELLIS YET.
WILSON, C	CE030390	PERMIT. PATIO IS APPROXIMATELY 25' X 30'. BEHIND EXISTING GARAGE CONVERTED GARAGE (SEALED), 2 POSSIBLY OCCUPIED CAMPERS, EXTENSION CORD RAN TO REAR SHED (CORNER OF PROPERTY) ADDITION AT REAR OF SFD (APPROX. 24' X 28') AND RESIDING COMPLETE BUILDING WITHOUT PROPER PERMITS OR CLEARANCES. NOTE: PORTION OF RESIDENCE HAS NO FOUNDATION.	161-511-024-000	01/10/2004	Did not send NOV letter per discussion with Tom, applicant has applied for permits and is in process of clearing violations, a letter at this stage would be a moot point. Will monitor to ensure follow thru. BP037793 APPLIED.
ZAMORA, F	CE030392	ILLEGAL BATHROOM & KITCHEN REMODELING INSIDE SHOP TO LIVING AREA. ATTACHED AREA 28' X 31' W/O PROPER PERMITS OR	119-161-018-000	01/21/2004	NOV Letter sent 12/5/03. FILE GIVEN TO TINA FOR CITATION LETTER 1/21/04
SORENSEN, S	CE030393	7 SHEDS 10.5' X 12' NEAR PROPERTY LINE. ONE IS FOR STORAGE, ONE IS BEING OCCUPIED. BOTH HAVE ELECTRIC. BUILT W/O PERMITS OR PROPER CLEARANCES.	119-212-004-000	01/23/2004	NOV Letter sent 12/05/03 FORMER OWNER: JENNINGS, CHANGED CASE FILE TO REFLECT NEW OWNER, REQUESTED TINA TO SEND NEW NOV TO NEW OWNER 12/11/03. L/H/N UNDER PARCEL # SHOWED THAT P.O. HAS BEEN ATTEMPTING TO CLEAR VIOLATION - GAVE UNTIL FEB 2004 TO RESUBMIT PLANS WITH CHANGES PER TONY FURTADO.
HARRINGTON, J	CE030395	2 SHEDS 10.5' X 12' NEAR PROPERTY LINE. ONE IS FOR STORAGE, ONE IS BEING OCCUPIED. BOTH HAVE ELECTRIC. BUILT W/O PERMITS OR PROPER CLEARANCES.	125-252-022-000	01/16/2004	NOV SENT 1/16/04
BERG, W	CE030398	BUILDING A ROOM ADDITION W/O PERMITS	211-182-012-000	01/13/2004	NOV letter sent 1/13/04
FERNANDEZ, J	CE030400	ILLEGAL RETAINING WALL.	211-191-025-000	01/21/2004	CASE CLOSED NO MERIT NO FILE CREATED
RUIZ, M	CE030278	Fence possibly over 6' and not design approval. ADDITIONAL COMPLAINT ON 9-4-03 - BUILDING A SHED WITHOUT DESIGN APPROVAL.	129-231-012-000	01/20/2004	BP 033308 APPLIED 12/12/03
LATHROM, J	CE020264	Converted garage and added 23'6" x 23'6" additions for proposed Day Care without permits or clearances.	129-051-030-000	12/04/2003	REV WAS GIVEN THE PAPERWORK BY TOM TO DO THE INSPECTION 12/08/03 CASE FILE IN INTAKE CABINET.
MARTINEZ, R	CE010107	Converted garage and added 23'6" x 23'6" additions for proposed Day Care without permits or clearances.	119-161-021-000	01/20/2004	PAID FEES OF 620.00. BP040115 ISSUED. CASE CLOSED.

Name	Case #	Case Type	APN	Last Action Date	NOTES
MARTINEZ, A	CE020286	ZNG/BLDG: Occupied motorhome, under cut rock wall at east side property, no side setback where driveway is-no permit, white metal carport attached to reporting party property. On 9/17/02; Changed to "Building Intake" per Valerie Migotti. ADDITIONAL COMPLAINT FROM AN OLDER CASE ADDED TO THIS FILE - COMPLETE REMODEL AND ADDITION TO SFD AND NEW COMPLAINT OF ENCLOSURE FOR WASHER AND DRYER W/O PERMITS AND RETAINING WALL.	261-101-003-000	01/21/2004	Old case, new complaint received, Stop work notice posted 12/12/03, OWNER NAME CHANGED ON FILE FROM HERRERA TO MARTINEZ, A NOV sent 12/18/03. FILE GIVEN TO TINA FOR CITATION LETTER 1/21/04
ZAMORA, R	CE030411	CONVERTED GARAGE W/O PERMITS OR CLEARANCES. APPEARS TO BE REPEAT OFFENSE	119-161-022-000	01/21/2004	NOV Letter sent 12/16/03, RECEIVED CERTIFIED LETTER BACK AS UNCLAIMED, DID NOT RECEIVE UNCERTIFIED LETTER BACK. POSTED LETTER ON DOOR, TOOK PICTURE OF POSTING 1/7/04. file given to tina for citation letter 1/21/04
ORTIZ, R	CE030412	CONVERTED GARAGE TO LIVING AREA W/O PROPER PERMITS OR CLEARANCES * OCCUPANT DID NOT GRANT VIEWING OF GARAGE NO PHOTOS*	119-161-019-000	01/21/2004	NOV Letter sent 12/16/03, RECEIVED CERTIFIED LETTER BACK AS UNCLAIMED, DID NOT RECEIVE UNCERTIFIED LETTER BACK. POSTED LETTER ON DOOR, TOOK PICTURE OF POSTING 1/7/04. file given to tina for citation letter 1/21/04
COSIO, A	CE030340	SINGLE CAR GARAGE HAS BEEN CONVERTED TO LIVING SPACE. A KITCHEN, BATH AND BEDROOM NOW OCCUPY THE	119-212-011-000	01/09/2004	BP040062 ISSUED 1/9/04, CASE CAN NOT BE CLOSED TILL BP FINALED, HOUSING CODE VIOLATION
UNITY CARE GROUP INC	CE030431	CONVERTED BARN W/O PERMITS	113-271-008-000	01/20/2004	citation letter sent 1/20/04, CITATION DEADLINE DATE 2/3/04
ACEVEDO, R	CE030436	POURED FOUNDATION AND MOVED FENCE	119-241-029-000	12/18/2003	Opened case gave paperwork to Tom to schedule an inspector to check out complaint. No case file created yet
CROUCH, A	CE030437	CONSTRUCTION OF 2 RETAINING WALLS (ONE IN FRONT YARD AND ONE IN BACK YARD, REMOVAL OF MORE THAN 100 CU YARDS OF EXCAVATED SOIL FROM HILLSIDE AND REDISTRIBUTING TO ADJACENT HILLSIDE	139-424-064-000	12/18/2003	Opened case gave paperwork to Tom to schedule an inspector to check out complaint. No case file created yet
NICKERSON, M	CE030439	STUDIO APARTMENT SELF CONTAINED WITH BATHROOM AND KITCHEN ABOVE GARAGE W/O PERMITS	127-301-031-000	01/16/2004	NOV SENT 1/16/04
ZAMORA, R	CE030440	CONVERTED GARAGE W/O PERMITS OR CLEARANCES	119-162-016-000& 119-162-017-000	01/20/2004	NOV Sent 12/29/03
BLANK, J	CE000279	1. REPLACEMENT OF EXISTING HORSE STALLS WITH 36X 60 HAY BARN ON NORTHERN PORTION OF PROPERTY NEAR UPPER MOBILE HOME (MH#1) 2. BUILT 26 X 24 GARAGE NEAR UPPER MOBILE HOME (MH # 1) 3. 14 X 25 ADDITION TO REAR OF UPPER MOBILE HOME (MH#1) 4. 12 X 36 TACJ ROOM WITH 12 X 12 ATTACHED CARPORT NEAR UPPER MOBILEHOME (MH#1) 5. BUILT 60 X 36 POLE BARN ON S/W PORTION OF PROPERTY NEAR RIDING AREA.	129-021-051-000	01/20/2004	NOV sent 12/31/03
NORTH SEA CORP.	CE030403	BUILT A 320 SQ. FT. BASEMENT WITHOUT INTERNAL FLOW	424-011-029-000	01/07/2003	NOV letter sent 1/9/04
BLOECHER, E	CE030444	REPLACING ROOF W/O PERMIT	267-151-036-000	12/30/2003	Opened case gave paperwork to Tom to schedule an inspector to check out complaint. No case file created yet



Name	Case #	Case Type	APN	Last Action Date	NOTES
PONCE, R	CE040001	SECOND DWELLING (MOBILE HOME) WITH ADDITION AT UPPER PORTION OF PROPERTY. MOBILE HOME WAS DESTROYED BY FIRE. NOW THE ADDITION (APPROX. 30 X 30) 2 STORY WITH 10 X20 BALCONY IS OCCUPIED WITHOUT PROPER PERMITS OR CLEARANCES. *****NOTE***** BP0301422 REPLACE 200 AMP SERVICE IS OVER 180 DAYS SINCE ANY INSPECTIONS - INSPECTOR FEELS THIS SERVICE IS FOR THE ILLEGAL ADDITION AND WATER WELL - CAUTION! 4 ILLEGALLY BUILT STRUCTURES, ALLEGED OCCUPIED TRAILER IN SEVERAL ATTACHED AND UNATTACHED STRUCTURE BUILDINGS BEING RENTED OUT TO TENANTS	129-231-004-000	01/23/2004	NOV letter sent 1/9/04
WRIGHT, A	CE040010	SEVERAL ATTACHED AND UNATTACHED STRUCTURE BUILDINGS BEING RENTED OUT TO TENANTS	030-122-003-000	01/23/2004	NOV SENT 1/16/04
FINLEY, P	CE040011	APPROX 10 X 30 FEED STORAGE AND ANIMAL FEEDING AREA W/O PROPER PERMITS OR CLEARANCES	181-061-028-000	01/23/2004	Received paperwork back from Tom, need to create file and send NOV
LEACH, W	CE040012	ADDED A ROOM IN BACK BUILT RETAINING WALL WITHOUT PERMIT, DRAINAGE FROM THIS PROPERTY IS GOING UNDER THE RETAINING WALL AND ONTO R/P'S PROPERTY	412-042-008-000	01/26/2004	NOV letter sent 1/26/04
VALDEZ, M	CE040013	INSTALLED A BATHROOM AND A KITCHEN (8' X 12') IN A GARAGE W/O PERMITS	030-246-002-000	01/23/2004	Received paperwork back from Tom, need to create file and send NOV
FERRY, A	CE040015	2 MAKE SHIFT BARNS OR SHEDS WERE ERRECTED THE WEEK OF 12/28/03, AND A THIRD IS GOING UP NOW.	125-391-013-000	01/23/2004	Received paperwork back from Tom, need to create file and send NOV
CASILLAS, M	CE040016	BUILT A PATIO COVER CONNECTED TO THE BACK OF THE HOUSE APPROX. 24' X 24' AND A STORAGE SHED 15' X 10' AT THE BACK OF THE HOUSE W/O PERMITS	211-201-011-000	01/13/2004	NOV letter sent 1/13/04
ZYGALINSKI, T	CE040017	EXTENDED EXISTING PORCH APPROX 3' X 18' NEW ROOF STRUCTURE OVER DECK 15' X 18', ADDED NEW PARTITION WALL ON INTERIOR WITH NEW ELECTRICAL OUTLETS, NEED TO REMOVE NEW SHEETROCK TO EXPOSE OTHER ELECTRICAL OUTLETS, NEW STANDING R	412-091-049-000	01/23/2004	Received paperwork back from Tom, need to create file and send NOV
JORDON, M	CE040021	CONVERTING GARAGE W/O PERMITS, ELECTRICAL W/O PERMITS	117-052-002-000	01/13/2004	NOV letter sent 1/13/04
SALAK	CE030369	BUILT A PATIO COVER CONNECTED TO THE BACK OF THE HOUSE APPROX. 24' X 24' AND A STORAGE SHED 15' X 10' AT THE BACK OF THE HOUSE W/O PERMITS	015-051-035-000	11/06/2003	PAPER WORK GIVEN TO WENDELL TO SCHEDULE AN INSPECTOR TO CHECK OUT COMPLAINT
GONZALEZ, C	CE040022	EXTENDED EXISTING PORCH APPROX 3' X 18' NEW ROOF STRUCTURE OVER DECK 15' X 18', ADDED NEW PARTITION WALL ON INTERIOR WITH NEW ELECTRICAL OUTLETS, NEED TO REMOVE NEW SHEETROCK TO EXPOSE OTHER ELECTRICAL OUTLETS, NEW STANDING R	261-121-017-000	01/13/2004	NOV letter sent 1/13/04
KENNETH, M	CE040008	STANDING R	189-291-006-000	01/07/2004	CHRISTINA/WENDELL OPENED CASE IN PERMITS PLUS ONLY PAPERWORK RECEIVED YET

Name	Case #	Case Type	APN	Last Action Date	NOTES
FITZGERALD, B	CE030402	BUILT SECOND STORY DECK, APPROXIMATELY 40' X 16' SUPPORTED BY 4 CMU COLUMNS	416-027-005-000	12/03/2003	WENDELL OPENED CASE IN PERMITS PLUS ONLY, NO PAPERWORK RECEIVED YET
KENNETH, M	CE030357	REPLACING FLOOR JOISTS AND GIRDERS (2) IN RESTAURANT (APPROX 200 SQ FT)	189-291-006-000	11/04/2003	WENDELL OPENED CASE IN PERMITS PLUS ONLY - NO PAPERWORK RECEIVED YET. ** NOTE IN EVENTS FROM WENDELL TO SEE BP032935 - THIS PERMIT HAS BEEN ISSUED - BUT IT IS ONLY FOR REPLACING 12 JOISTS NO MENTION OF THE GIRDERS??
LEFEBVRE, R	CE030385	CONSTRUCTED FENCE OVER 6' X 23' LONG. ELECTRICAL AND PLUMBING REPAIRS FOR EXISTING HOT TUB. SOME FRAMING AROUND HOT TUB DECK	009-094-017-000	01/23/2004	file given to tina for NOV letter 1/23/04
SCHUBERT, J	CE030387	BUILT EXTERIOR DECK APPROXIMATELY 12' X 25' @ REAR OF SFD	015-472-014-000	01/23/2004	FILE GIVEN TO TINA FOR NOV 1/23/04
GREENWAY, P	CE040026	INSTALLED GENERATOR AND PROPANE TANK W/O BUILDING PERMITS OR CLEARANCES	129-241-012-000	01/20/2004	NO NOV SENT SINCE BP033266 WAS APPLIED FOR . NOV WOULD BE A MOOT POINT.
ROCHA, J	CE040027	ATTACHED GARAGE BEING OCCUPIED APROX. 20' X 20'. HAS BATHROOM, KITCHEN, AND BEDROOM W/O PERMITS	119-211-021-000	01/16/2004	NOV SENT 1/16/04
RUIZ, R	CE040028	BUILT A GAME ROOM AND WATERFALL IN BACK PROPERTY W/ ELECTRICITY HOOK UP W/O PERMITS	125-452-001-000	01/21/2004	CASE CLOSED BP 040150 ISSUED 1/21/04
HUNSAKER, M	CE040029	TWO TRAILERS ON PROPERTY, ADDITIONS, MODIFICATIONS & ADDED ELECTRICAL W/O PERMITS	127-331-044-000	01/23/2004	Received paperwork back from Tom, need to create file and send NOV
GERRY, E	CE040031	7 4" DRAIN PIPES DRAINING ONTO NEIGHBORING PROPERTY	125-131-024-000	01/13/2004	PAPER WORK GIVEN TO NIELS TO CHECK OUT COMPLAINT
PENNY, W	CE040033	BUILT A WOOD FENCE APPROX. 400 LIN.FT. AND 8' HIGH	189-561-027-000	01/23/2004	Received paperwork back from Wendell, need to create file and send NOV
MASSON, A	CE040034	CONVERT SFD INTO A DUPLEX	416-024-013-000	01/23/2004	Received paperwork back from Wendell, need to create file and send NOV
GERRITSEN, H	CE040035	BUILDING A BARN (APPROX 36' X 34'), AN ENTRY (APPROX 10' X 12'), A LOFT (APPROX 34' X 12') (1752 SQ FT TOTAL) WITH PLUMBING AND ELECTRICAL, ALL DONE WITHOUT PLANNING OR BUILDING APPROVAL.	169-141-020-000	01/23/2004	Received paperwork back from Wendell, need to create file and send NOV
GOMEZ, M	CE040036	CONDITIONS LIKELY TO CAUSE ACCELERATED EROSION, ALLOWING SEDIMENT TO ESCAPE THE PROPERTY AND CONCENTRATED RUNOFF.	181-091-004-000	01/27/2004	File to tina for NOV 1/27/04
MOHSSIN, M	CE000107	**case reconstructed/ rolled over from Parkers cases** OCCUPIED TRAVEL TRAILERS AND AN OCCUPIED BARN WITH THREE CAR GARAGE W/O PERMITS	181-061-021-000	01/21/2004	GAVE FILE TO TINA FOR NOV
TENNIS, L	CE040037	BUILT CARPORT WITH ELECTRICAL ON PROPERTY LINE W/ O PERMITS	125-391-012-000	01/22/2004	P.O. came in and entered into compliance agreement 1/22/04



Name	Case #	Case Type	APN	Last Action Date	NOTES
		**case reconstructed / rolled over from Parker's case** COMBUSTIBLE VENT FROM FIREPLACE INSERT TO THE OUTSIDE OF THE MOBILE HOME MUST BE REMOVED. 15' X 40' ADDITION TO MOBILE HOME NEEDS TO BE PERMITTED. TRAVEL TRAILERS ON THE PROPERTY MUST BE REGISTERED TO PROPERTY OWNER.	127-361-008-000	01/23/2004	GAVE FILE TO TINA FOR NOV
HAMPTON, L	CE990278				
		**case reconstructed / rolled over from Parker's case** CONVERTING AN ACCESSORY STRUCTURE TO HABITABLE SPACE W/O PERMITS	105-031-007-000	01/23/2004	GAVE FILE TO TINA FOR NOV
RAMSEY, J	CE020340				
		REROOFING SFD (APPROX. 672 SQ. FT.) WITHOUT PERMITS OR CLEARANCES.	125-021-010-000	01/26/2004	NO NOV LETTER SENT AS P.O. MADE APPT. TO COME IN WEDNESDAY 1/27/04 TO OBTAIN PERMIT. NOV LETTER WOULD BE NOOT POINT.
GARCIA, F	CE040038				

**PRELIMINARY GOALS / INITIATIVES FY 2003/2004**  
(Please update and rank w/in the group and share recommendations to Staff)

Milestones/ Dates	5 1/1/03	Respond to customer calls within 24 hours	1) Evaluate case loads of Planning Managers and staff options for implementation of new case load allocation 2) Establish case load standards for Planning, LUTs, Plan Checkers and Inspectors	1) Implement Citrus software for permit processing and web-based access to responsibilities and permit fees 2) Implement Permit Plus 11 Land Use Department by Oct 2003 and 2) Fire agencies transfer for planning by Dec 2003	1) Implement Citrus software for permit processing and web-based access to responsibilities and permit fees 2) Implement Permit Plus 11 Land Use Department by Oct 2003 and 2) Fire agencies transfer for planning by Dec 2003	Develop and document procedures for permit processing, including: 1) Land Use Department 2) Fire agencies 3) Submittal Fee Permits	Develop and document procedures for permit processing, including: 1) Land Use Department 2) Fire agencies 3) Submittal Fee Permits	Sundridge Views
Milestones/ Dates	6 1/1/03	Ongoing effort Reduce customer wait at Permit Centers to max. of 15 minutes	Interim measures being developed Exit Interviews - Implement confidential, 3rd party interviews of employees	Complete parallel testing and implement Fees Module in Permit Plus. Discontinue use of Register by September 1, 2003.	Complete parallel testing and implement Fees Module in Permit Plus. Discontinue use of Register by September 1, 2003.	Develop implementation plan for imaging, 1) existing records emergency use of Register by imaging (eg. Approved plans, resolutions)	Develop implementation plan for imaging, 1) existing records emergency use of Register by imaging (eg. Approved plans, resolutions)	EIR released 1/04 Carnel Valley Ranch
Milestones/ Dates	7 1/1/03	Consolidation of Permit Center to help increase understanding of issues - schedule ride-a-long	Ongoing Provide high quality training to all staff	Boxes to be re-established 2/04 Develop FBI presentation and schedule with other Departments	Evaluate taking Street Addressing function from Public Works	Delayed due to staffing limitations. Implement 1/105	Implement electronic document management system	Pajaro Valley Golf Course
Milestones/ Dates	8 1/1/03	Post brochures at equipment rental locations	Ongoing but limited		Deferred due to staffing	Implement by 7/04	Implement by 7/04	
Milestones/ Dates	9 1/1/03				Add re-roofs to permits available on-line	Integrate use of software into image management processes	Complete retrofit of modular building by 11/03	Revise Application Forms for Rancho Roberto
Milestones/ Dates	10 1/1/03				Website - include more: 1) policies 2) Newsletters 3) Suggestions	Evaluate methods to achieve 1) policies 2) Newsletters 3) Suggestions	Bring to the Board a revised code enforcement ordinance for administrative remedies.	Rancho Los Robles
Milestones/ Dates	11 1/1/03				Ongoing		5/04 w/County Concurrence	Sundridge Views
Milestones/ Dates	12 1/1/03				Conduct training to staff and Land Use Departments in reports available through Permit Plus and Crystal Reports		Define scope of authority for Code Enforcement	
Milestones/ Dates	13 1/1/03							Rancho San Carlos

**PRELIMINARY GOALS / INITIATIVES FY 2003/2004**  
(Please update and rank w/in the group and share recommendations to Staff)

PRIORITY	CUSTOMER SERVICE	HUMAN RESOURCES	COMMUNICATION	DATA MGMT	RECORD MGT.	BUILDING, GRADING CODE ENFORCEMENT	PLANNING	MAJOR PROJECTS
1	Complaints - ensure that all complaints are responded to in a timely and appropriate manner and that tracking system is used consistently by all staff.	Reclassification studies for: 1) Building Inspections series 2) Office Assistant series 3) IT series	Regular and consistent communication of Department performance goals and status to staff by Division Chief's	Data Entry Standards - Focus on: 1) written documentation (not email); 2) training - small group and @ staff meetings; and 3) quality control	Provide access to all records stored off-site within 24-hours upon request	Development of grading inspection policy manual.	General Plan Implementation	Rancho San Juan
Milestones/ Dates	Board report by July 2004	Held in abeyance due to budget	We have weekly meetings w/staff			In progress, Draft 1/04	Not yet assigned to the department	Projected to go to decision makers 6/04
2	Public Records Requests - Provide prompt access to public record act requests, ensure Act is carried out through staff training and procedures.	Performance Evaluations - develop policies and conduct training on effective performance management for all managers and supervisors 2) Identify performance required for promotions and provide tools for achievement 3) Conduct all evaluations in a timely fashion.	1) Comprehensive and consistent use of Outlook by all staff to ensure timely scheduling of appointments	Historic Information - 1) Convert pre-1998 Building Permit data to Permits Plus 2) Convert Library data into Permits Plus	Formalize responsibilities of Records Unit to include active and inactive records and imaging	Development of monthly reporting system using Permit Plus.	Implement time tracking system for MM and MS projects and other projects that require Deposits	East Garrison
Milestones/ Dates		Standard use of evaluation form has been implemented	Ongoing, greater use and emphasis on Outlook		Delayed due to staffing limitations, implement 1/105	Monthly reporting system in place 6/03		Projected to go to decision makers 7/04
3	Implement customer feedback system on-line and at each Permit Center	Evaluate use of 360 degree evaluation systems	Policies & Procedures - Advanced notification and training for changes in P & P	Assessor's database - 1) Update Permits Plus parcel information with owner information from Assessor's Office. 2) Provide data regularly to Assessor on permit status. Information from PBI	1) Integrate active files into Web Advantage system (Salinas first then Marina)	Develop an on going building inspection training program for inspection staff.	Develop systems for tracking CC and MM in Permits Plus	Potrero Subdivision
Milestones/ Dates	Implementation target of 7/04	Implementation target 7/04	Being implemented w/changes as they occur			Monthly training on Codes as of 6/03	To be Complete 7/04	
4	Virtual Permit Centers - Increase access to information to reduce Permit Center visits and phone calls (Information at City Halls and on-line)	Recruitment - Develop strategies to improve recruitment and retention esp: 1) Building Inspectors and 2) Plans Examiners	Regular data gathering and reporting of performance measures for each Division	GIS - Evaluate resources necessary to include Assessor's books	Document Records Retention policy and procedures for PBI	Develop a building housing code violation enforcement program. Hire and train staff.	Analyze and improve permit approval times for Admin Permits	Handley/Granite Mine
Milestones/ Dates	Velocity Hall electronic permitting initiated	Hiring Freeze in place	See attached Building Division report		Delayed due to staffing limitation, by 1/05	Trained staff and developed program, 12/03	Interim Ordinance to Board 2/24/04 for process change	Approved by PC, now on appeal to Board





**CITY MANAGER**

440 Harcourt Avenue  
Seaside, CA 93955

Telephone (831) 899-6700  
FAX (831) 899-6227  
TDD (831) 899-6207

March 29, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
County of Monterey  
North Wing, Room 318  
240 Church Street  
Salinas, CA 93901

Subject: Response to Grand Jury Findings

Dear Judge Duncan:

The City of Seaside is pleased to offer the following responses to the 2003 Monterey County Grand Jury Report concerning Affordable Housing on the Monterey Peninsula.

**RESPONSES TO FINDINGS**

- 1. The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.**

*Response: The City of Seaside agrees with this Finding.*

The lack of adequate affordable housing increases the cost of living for all residents in the County and makes recruitment of workers essential to the local economy very difficult. On the Monterey Peninsula, employees working in the hospitality industry, medical services and public sector (including teachers, police officers and firefighters) are frequently unable to find suitable housing which is close to their workplaces.

- 2. Political, economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.**

*Response: The City of Seaside agrees with this Finding.*

The construction of affordable housing on the Monterey Peninsula is hampered by 1) a lack of adequate land and water supplies for new housing; 2) a property tax system which does not provide adequate local government revenues from affordable housing to support the government services demanded by such housing; 3) resistance from some communities to providing a fair share of affordable housing; and 4) higher development costs.



**CITY MANAGER**

440 Harcourt Avenue  
Seaside, CA 93955

Telephone (831) 899-6700  
FAX (831) 899-6227  
TDD (831) 899-6207

March 29, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
County of Monterey  
North Wing, Room 318  
240 Church Street  
Salinas, CA 93901

Subject: Response to Grand Jury Findings

Dear Judge Duncan:

The City of Seaside is pleased to offer the following responses to the 2003 Monterey County Grand Jury Report concerning Affordable Housing on the Monterey Peninsula.

**RESPONSES TO FINDINGS**

- 1. The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.**

*Response: The City of Seaside agrees with this Finding.*

The lack of adequate affordable housing increases the cost of living for all residents in the County and makes recruitment of workers essential to the local economy very difficult. On the Monterey Peninsula, employees working in the hospitality industry, medical services and public sector (including teachers, police officers and firefighters) are frequently unable to find suitable housing which is close to their workplaces.

- 2. Political, economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.**

*Response: The City of Seaside agrees with this Finding.*

The construction of affordable housing on the Monterey Peninsula is hampered by 1) a lack of adequate land and water supplies for new housing; 2) a property tax system which does not provide adequate local government revenues from affordable housing to support the government services demanded by such housing; 3) resistance from some communities to providing a fair share of affordable housing; and 4) higher development costs.



**3. Affordable housing/home ownership is critical to the economic and social health of Monterey County.**

*Response: The City of Seaside agrees with this Finding.*

City employees, teachers of Seaside schools and other critical employees are unable to purchase homes on the Monterey Peninsula. Families are being separated as grown children move to less costly areas so that they can purchase a home. Difficulty in recruiting adequate numbers of employees essential to the Monterey County economy hampers economic growth.

**4. The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.**

*Response: The City of Seaside agrees with this Finding.*

Having a strong economic base is essential to providing Seaside residents with comparable services and amenities that are presently enjoyed by other Monterey Peninsula communities. Most residential development does not produce adequate revenues (in the form of property taxes) to support the services demanded by its residents. As a result, cities such as Seaside must ensure that future development occurs in a balanced manner, so that sufficient revenues from commercial and visitor-serving land uses will be available to support current and future residents.

**5. Affordable housing thresholds in the range 30% to 50% are achievable.**

*Response: This statement is incomplete.*

While housing developments containing 30% to 50% affordable units are achievable, the provision of this range of housing is not economically feasible without substantial government subsidies. This is particularly true with respect to development on lands within the former Fort Ord, due to the antiquated infrastructure which must be removed and replaced; the removal of old buildings which often includes the removal of hazardous materials; environmental mitigation measures; the requirement to pay prevailing wages; and the FORA Community Facilities District fees (which pay for regional infrastructure improvements, habitat preservation/conservation, and other regional benefits).



The Economic Analysis of Below Market Rate Housing Report prepared by Bay Area Economics (BAE) for FORA assumed that a minimum profit of 10 percent of development costs is needed for a project to be feasible. The BAE Study concluded that for projects with high development costs, a comprehensive inclusionary program with 50 percent of all units selling at BMR (Below Market Rate) prices would not be economically feasible, yielding an overall loss of one percent on total development costs; a 40 percent inclusionary program within a high cost project would barely be considered economically feasible, with 10 percent of development costs (or 9 percent of sales revenue) and may cause developers to forego the project; and a 30 percent BMR inclusionary program may be economically feasible, returning a profit of approximately 19 percent of total development costs (15 percent of sales revenue). In order to make projects in the 30 – 50% range economically feasible, government subsidies will be needed to provide the incentives necessary to encourage private sector development of affordable housing.

In sum, a more appropriate finding would read “Affordable housing thresholds in the range 30% to 50% are achievable, with substantial government subsidies.”

6. **The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.**

*Response: The City of Seaside agrees with this Finding.*

The trust fund mechanism is one source of revenue which could provide the necessary subsidies to develop affordable housing. The City of Seaside has already agreed to commit an initial \$100,000 contribution towards this housing trust fund.

## **RESPONSES TO RECOMMENDATIONS**

1. **Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their “fair share” of the countywide need for additional affordable housing.**

*Response: The City of Seaside agrees with this Recommendation.*

The City of Seaside is committed to continue to bring new affordable units into the City’s housing inventory. All water allocations issued by the City for the construction of single-family units on small lots must be deed restricted as affordable. All new housing developments in the former Fort Ord area must provide affordable units so that there will

be an overall provision of 20% affordable units according to the mix prescribed by FORA. In addition, the City is looking to require other new development within the older, developed portion of Seaside to also provide affordable units.

2. **Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirements, by creating specialized developer incentives, and by developing funding sources.**

*Response: The City of Seaside agrees with this Recommendation.*

Although there remain very few vacant parcels within the developed area of Seaside, the City is working to insure that as many as possible of the new units being built are restricted as affordable units. See the response to Recommendation #1 for more details of the City's affordable housing program.

3. **In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.**

*Response: The City of Seaside agrees with this Recommendation.*

This regional problem can only be resolved by a regional approach.

4. **Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by the Clark Group and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey, and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism whereby cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interests of the entire Peninsula region.**

*Response: The City of Seaside agrees with this Recommendation. Please see the response to Finding #6.*

Judge Terrance Duncan  
March 29, 2004  
Page 5

In the event that you need additional information regarding the City of Seaside's response, please contact me at 831-899-6701.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel E. Keen", with a stylized flourish at the end.

Daniel E. Keen  
City Manager



CITY HALL  
BOX CC  
CARMEL-BY-THE-SEA, CALIFORNIA 93921

24 March 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
North Wing, rm 318, 240 Church St.  
Salinas, CA 93901

SUBJECT: 2003 MONTEREY COUNTY GRAND JURY FINAL REPORT

Dear Judge Duncan:

Contained herein are the required responses from the City of Carmel-by-the-Sea to the following sections of the referenced Report:

**Affordable Housing on the Monterey Peninsula**

Prepared by Brian Roseth, Principal Planner; and

**Police Services in Monterey County**

Prepared by George Rawson, Chief of Police

Very truly yours,



Sue McCloud, Mayor

data/cv/Grand Jury/grand jury response/2000.doc

c: Members of the City Council  
Rich Guillen, City Administrator  
Brian Roseth, Principal Planner  
George Rawson, Chief of Police

**AFFORDABLE HOUSING ON THE MONTEREY PENINSULA**  
**A Regional Problem Requires a Regional Solution**

**FINDINGS**

1. *The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.*
2. *Political, economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.*
3. *Affordable housing/home ownership is critical to the economic and social health of Monterey County.*
4. *The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.*
5. *Affordable housing thresholds in the range 30% to 50% are achievable.*
6. *The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.*

**Response:** City agrees with all six findings. Due to existing land use patterns, high housing demand (and costs), limited vacant land, and environmental constraints, the City of Carmel-by-the-Sea is faced with several obstacles to providing more housing of any kind, including affordable housing. Opportunities for the development of affordable housing, including infill development, the conversion of commercial uses to residential, and the addition of new residential uses above existing commercial space, will have to be actively identified and pursued.

## **RECOMMENDATIONS:**

1. *Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their "fair share" of the countywide need for additional affordable housing.*

**Response:** This recommendation has been partially implemented already and will be fully implemented through 2008. The City conducts the following ongoing efforts to implement its current Housing Element Programs.

- Provides housing rehabilitation assistance through inspection services.
  - Promotes housing conservation
  - Promotes conversion of R-1 motels to single-family housing
  - Promotes mixed-use development and provides floor area bonuses for affordable housing
  - Prohibits condominium conversion of apartments to preserve rental housing
  - Promotes a variety of housing types through General Plan policies and Zoning Ordinance regulations
  - Seeks to remove infrastructure constraints
  - Prohibits short-term, transient rentals and timeshares of residential dwellings
  - Supports the shared housing program for seniors
  - Revises density bonus ordinance to improve the way density bonus units are calculated
  - Provides incentives to promote construction of second units
  - Enhances flexibility of parking standards to encourage affordable housing
  - Reduces planning fees for affordable housing projects
  - Expedites processing of affordable housing projects
  - Preserves assisted housing stock
  - Promotes Section 8 rental assistance
  - Supports the Zoning Ordinance which identifies zones that will allow homeless shelters and transitional housing, group homes, community care facilities and to ensure compliance with ADA.
  - Continues to require energy conservation techniques and implement Title 24 standards.
2. *Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirements, by creating specialized developer incentives, and by developing funding sources.*

**Response:** The recommendation has been partially implemented by establishing affordable housing incentives. The City has chosen not to establish Inclusionary Housing requirements. Additional incentives will be created by 2008. The following Housing Element Programs are being implemented to provide incentives for construction of affordable housing:



Program 4. Mixed-Use Development. The City's General Plan and Zoning Code allows for the development of new residential units on the second floor of all development in the commercial district. As an incentive, the Code has provided floor area bonuses of 5% to 15% for projects that include senior housing or affordable housing units for moderate, low and very low-income households. The City's experience with these incentives has shown that developers opt for market-rate senior housing rather than income-restricted affordable housing. This does not aid in meeting the City's housing allocations. Therefore, in the newly adopted Housing Element the City is revising the floor area bonus provisions by deleting the incentive for senior housing and restructuring the bonus to favor low-income and very low-income units more than moderate-income units. Brochures will be prepared and distributed in 2004 following the adoption of the Zoning Ordinance update that outline the City's floor area incentive as well as the density bonus incentive described below.

Program 14. Density Bonus. The City has adopted its own density bonus ordinance to encourage the development of affordable housing. Residential development is permitted in the Commercial and Multiple-Family Districts at a base density of 33 dwelling units per acre. A density bonus of up to 33 percent (allowing 44 dwelling units per acre) may be granted if a proposed project meets the specific requirements of State density bonus law. Revisions to the ordinance also clarify that a condominium development reserving 20 percent of the units for moderate income also gets a 25 percent density increase. Despite the fact that State density bonus laws require density bonus provisions to apply only to housing developments consisting of five dwelling units or more, the City will continue to extend the density bonus provisions for all residential developments regardless of the number of units proposed. The Density Bonus Ordinance has also been improved to allow the rounding up of fractions above 0.5. This will allow more units on some properties.

Program 12. Senior Housing. The Carmel Foundation is a major nonprofit organization that assists senior citizens in the City. The Foundation owns and operates three senior housing developments in the City, providing affordable housing to 45 lower-income senior households. Norton Court is the only senior development that receives assistance from the City in the form of a \$1 per year lease of the property; the remaining two developments (Trevett Court and Hazeltine Court) are completely financed with private donations.

As part of the Housing Element update, the City met with the Carmel Foundation regarding providing additional opportunities for affordable housing. The General Plan encourages the City to identify surplus sites that may be suitable for development as residential housing for seniors and/or low-income households. On an annual basis, the City will consider the potential conversion of these sites for residential uses with preparation and adoption of the Capital Improvement Program.

Program 13. Shared Housing. Many seniors who would prefer to live independently resort to institutionalized living arrangements because of housing costs, security problems, loneliness, or an inability to live independently. Both the Alliance on Aging and Monterey County Housing Authority administer shared housing programs for seniors in Monterey County that assist seniors in locating roommates to share existing housing. This program often enables seniors to live independently for a longer time period. The City plans to assist this program to include wider distribution of information and improved referral services.

By 2008, the City will seek to expand participation in both of the available programs by distributing informational brochures to the Carmel Foundation and displaying brochures at City Hall and other public buildings. Information may also be posted on the City's website.

Program 15. Subordinate Units. The City's Municipal Code allows as a permitted use the creation of new subordinate units on lots of 8,000 square feet or greater to provide additional rental housing in the R-1 District to lower-income households. Based on the results of a survey administered in 2002 as part of the Housing Element update process, there are approximately 25 sites of 8,000 square feet or larger that did not currently have a subordinate unit and where the owners had indicated they would be interested in adding a subordinate unit. Another 20 property owners with sites that fit these criteria indicated they would be interested in adding a guest house. This represents a substantial portion of the adequate sites needed for moderate, low and very low-income households.

Proposed revisions to the Municipal Code provisions on subordinate units clarify that Class 4 (affordable) subordinate units are allowed as permitted uses. Incentives for the development of subordinate units include waiver/reduction of certain fees, priority processing, and reduced parking requirements. The City will prepare a brochure to provide technical assistance to property owners by the end of 2004.

Program 16. Reduced Parking Requirements. The City has adopted lower parking standards for affordable and senior housing developments, particularly in the Central Commercial and Service Commercial districts. However, in surveys of commercial and residential property owners conducted in August 2002, lack of available parking and the City's parking requirements were routinely identified as a constraint to the development of additional housing in both residential and commercial districts.

Proposed revisions to the Municipal Code enhance the flexibility of the parking standards by reducing the in-lieu fee, expanding the shared parking program to include residences, and reduced standards for moderate income units in addition to the existing reduced standards for low and very low income units. The proposed revisions also reduce parking requirements for affordable housing in the R4 (multi-family) and Residential/Limited Commercial districts from 1.0 spaces per unit to 0.5 spaces per unit.



Program 17. Reduced Planning Fees. Planning fees help pay for personnel time, materials and other costs needed to process development permits. These fees frequently have the unintended consequence of increasing the cost of housing. To encourage the development of affordable housing, proposed revisions to the Municipal Code include a reduction in planning fees for projects that include an affordable housing component. The fee system will reduce planning fees in proportion to the percentage of affordable units. Staff will make the reduced planning fee program apparent to applicants during any pre-application meeting.

Program 18. Expedited Processing Procedures. The permit processing and approval process tends to increase the cost of development. To help mitigate the cost of development, the City offers expedited review for projects that include affordable housing units. This program is helpful in reducing holding costs while processing the approvals necessary for plan check and building permit procedures. The specific procedures for fast-track processing of affordable housing projects are included in the City's Municipal Code.

3. *In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.*

**Response.** This recommendation will not be implemented because it is not reasonable. During the City's Housing Element update public workshops, Planning Commission hearings and City Council hearings, the concept of a regional approach to affordable housing was discussed. Throughout these discussions, the City expressed its willingness to contribute and support this approach. However, according to the State Department of Housing and Community Development (HCD), housing must be provided within a City's jurisdiction in order to apply towards its identified fair share housing need. Without some assurance that housing units created will be credited to the City in the next Housing Element update cycle, the City could be penalized by its participation in a regional program. Therefore, the City can support the spreading of economic costs of affordable housing development only when HCD changes its policy to create a practical incentive to such shifting of funds.



4. *Review the recommendations from the Fort Ord Reuse Affordable Workforce Housing Study by the Clark Group and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism whereby cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interests of the entire Peninsula region.*

**Response:** The recommendation has not been implemented, but will be implemented in the future with a timeframe for implementation. The City agrees to review the Clark Group study and consider the recommendations on sources of funding.

Due to the City's relatively high per capita income and lack of blighted conditions, the City is not generally competitive in applying and receiving state and federal housing funds. Because of this, the City does not usually receive any public funding to implement housing programs. Instead, the City uses other methods and sources of financing to provide housing programs and services in the community. In addition to the City's general fund and staff time, the City cooperates with non-profit organizations such as the Alliance on Aging and the Carmel Foundation to provide assisted housing and other services to the community. The City continues to work successfully with these organizations, providing assistance such as a \$1 yearly lease of property to the Carmel Foundation for the Norton Court Apartments. The City also contributes funding to the Homeshare Program operated by Alliance on Aging, and referrals to this program are made as part of routine counter assistance at City Hall. Recently, the City also contributed funding to the AIA Monterey Bay CONCEPTS competition—an event sponsored to develop innovative design ideas for providing affordable housing within the region and possibly bringing some of these ideas to fruition.

Due to developers' ability to earn a high profit margin on projects built in Carmel-by-the-Sea, City staff is also able to negotiate with private for-profit developers to provide affordable units as a component of and/or in addition to the primary project the developer is proposing. The City will offer incentives, such as reduced fees or parking standards, and/or a density bonus in order to facilitate development of affordable units.

The following table summarizes affordable projects built by both private for-profit and non-profit developers with the assistance of the City.

Project	Location (Block/Lot)	Low	Mod	Senior	Inclusionary Units			Developer Units			Non-Profit Units		
					Owner	Rental	Senior	Owner	Rental	Senior	Owner	Rental	Senior
Haseltine Court	55/2, 4	x											12
Trevvett Court	51/10, 12	x											9
San Carlos Lodge	50/10,12	x										2	
Norton Court	51/20	x											24
Oliver White	96/10,12		x			1							
Hasegawa	91/16	x				1							
Viejo Carmel	36/17-26	x				2							
Carl	49/4	x					1						
Mandurrago	92/3			x			2						
Mandurrago	89/13, 15			x			2						
Gonzales	MA/8	x				1							
Ravel Corporation	36/18, 20	x				1							
Trini Iye	57/12, 14		x			1							
<b>Totals</b>						7	5	0	0	0	0	2	45
<b>Grand Total</b>													<b>59</b>

## POLICE SERVICES IN MONTEREY COUNTY

### RECOMMENDATIONS

1. *The Grand Jury recommends the various police jurisdictions throughout Monterey County adopt a similar statistical chart for review of public safety services.*

**Response:** The recommendation has not yet been implemented, but will be implemented in the near future.

2. *The Grand Jury recommends that the councils of the various incorporated cities review the statistical data charts produced by their respective police departments (see Recommendation 1) in assessing the city's budget.*

**Response:** The recommendation has not yet been implemented, but will be implemented with the adoption of Fiscal Year 2004/05 budget (approx. July 2004).

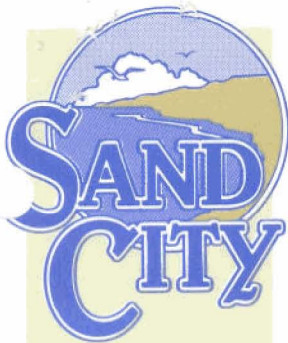
3. *The Grand Jury recommends to each city to organize a task force to establish an affordable housing assistance program. This issue directly effects the recruitment and retention of police officers in every police jurisdiction in the County of Monterey.*

**Response:** The recommendation will not be implemented because it is not reasonable to the individual cities. In lieu of individual cities attempting to establish an affordable housing program, this effort might be better achieved by structuring a joint city task force; i.e. the Monterey Peninsula cities collaborating to seek strategies on how to implement affordable housing assistance programs for newly hired public safety personnel.

4. *The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.*

**Response:** The recommendation has not been implemented, but will be implemented with the adoption of Fiscal Year 2004/05 Budget (approx. July 2004).





March 3, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
240 Church Street  
Salinas, CA 93901

ASA? #70  
CC! Auditors  
done

Dear Judge Duncan,

At their meeting on March 2, 2004, the City Council of the City of Sand City gave consideration to their response(s) to the following sections of the 2003 Report by the Monterey County Grand Jury:

Tab 9            Affordable Housing on the Monterey Peninsula  
Tab 11          Police Services in Monterey County

The response to the Housing section was prepared by our Community Development Director, and the Police Services section was prepared by our Chief of Police.

After reviewing these two sections and considering recommendations by the City staff, the Sand City Council approved the attached responses to the Findings and Recommendations of the above two sections of the Grand Jury Report. The City Council concurred with the responses as prepared by the two department heads.

As requested by the Grand Jury (and required by Sections 933 of the Penal Code), the City of Sand City is hereby submitting the attached responses to the 2003 Grand Jury Report.

Sincerely,

David K. Pendergrass  
Mayor

cc:    Monterey Peninsula Cities  
       County of Monterey

City Hall  
1 Sylvan Park,  
Sand City, CA  
93955

Administration  
(831) 394-3054

Planning  
(831) 394-6700

FAX  
(831) 394-2472

Police  
(831) 394-1451

FAX  
(831) 394-1038

Public Works  
(831) 394-1386

FAX  
(831) 394-8518

Incorporated  
May 31, 1960

## FINDINGS

1. **The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.**

Sand City Response: We agree. In recognition of this fact, the City recently rezoned a major portion of its industrial and commercial area to "Planned Mix Use" allowing much more housing, and in particular rental housing. We are also embarking on providing water via a small desalination facility, the size approved in 1995 for the City of Marina. The State of California is strongly in support of our desalination project because the state recognizes that without an adequate water supply, there will be no housing.

2. **Political, economic, social and environmental considerations often interfere with the achievement of reasonable, affordable housing goals.**

Sand City Response: We agree. Sometimes neighborhood groups insist on having the same type of housing (e.g. single-family, detached market rate housing) built within or adjacent to their neighborhood.

3. **Affordable housing/home ownership is critical to the economic and social health of Monterey County.**

Sand City Response: We agree. Ever tried to get your stopped-up toilet fixed by a computer nerd? Plumbers, school teachers and other essential work force employees need a place to live close to their client base.

4. **The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable /work force housing. Without some formula for revenue-sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.**

Sand City Response: We assume this statement to be true; however, we are not privy to the fiscal status of cities like Marina and Seaside. The City of Sand City is one of the few cities in the state that currently contribute significant tax revenue to its neighboring city (Seaside) as part of a revenue-sharing agreement between the two redevelopment agencies. Therefore, we are "ahead of the curve" on this concept.

---

\* Grand Jury Findings and Recommendations are in bold print.



5. **Affordable housing thresholds in the range of 30% to 50% are achievable.**

Sand City Response: We will let the debate (and studies) on this issue continue prior to making a final judgement. What currently occurs under inclusionary housing is that percentages of “affordable” housing within a development are subsidized by the market rate housing, causing the market rate portion of the development to be at a higher price than would otherwise be the case. One of the fears of increasing the percentage of below market rate housing above the 15 to 20 percent range is that housing production will shift to areas of the state where higher percentages do not exist, thereby allowing developers a better profit margin - and producing significantly less housing in housing deficient areas such as the Monterey Peninsula.

6. **The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.**

Sand City Response: There is not enough detail in the Clark Report regarding how the fund would work in Monterey County to give a definitive answer to this finding. However, provided the fund were equitable among all cities, and that cities would get “credit” for contributing to the fund in accordance with state housing element law (the law would need to be amended), Sand City would be amenable to considering participation.

## **RECOMMENDATIONS**

1. **Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their “fair share” of the countywide need for additional affordable housing.**

Sand City Response: Agreed. We have a state certified housing element, but we need an adequate water supply. Therefore, we are in the process of planning and building a municipally owned desalination plant to provide the water we need. Other than Sand City’s water supply project, there are no regional plans to provide water that would allow for any residential growth on the Monterey Peninsula where Cal-Am is the water purveyor.

2. **Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirement, by creating specialized developer incentives, and by developing funding sources.**

Sand City Response: The City of Sand City is entirely within a redevelopment project area, which, under state law, is required to have at least 15% of its housing developed at affordable levels over time. We are currently working with a developer of a redevelopment project to increase that level to 30%, with additional redevelopment agency contribution.



3. **In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.**

Sand City Response: Provided the development of a housing trust fund contribution was equitable, Sand City would consider participation. However, it would first, in our opinion, require a change in State law that recognized housing credit within each jurisdiction's housing element. Also, for this type of mechanism to work effectively, the State of California will first need to get its financial house in order and not continue to take money away from cities in times of financial mismanagement.

4. **Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by the Clark Group and aggressively pursue the sources of funding in the recommendations.**

Sand City Response: See response to item 3 above. This recommendation appears to be another way of saying the same thing as recommendation 3. We have reviewed the recommendations contained in the Clark report - more specifics are needed before we make a judgement on participating into a regional housing trust fund; and, the state of California will need to be cooperative in terms of revising state housing law and revising its current policy of taking money away from cities in times of financial stress.

It is interesting to note that redevelopment funding of housing opportunity has been recognized as the single-most effective means available to local government to provide needed housing and assist the development community. Conversely, in times of state financial trouble, the state always takes money away from redevelopment agencies, making them less effective toward that goal.

January 22, 2004

To: Mayor Pendergrass and Members of the City Council  
Kelly Morgan --- City Administrator  
From: Michael Klein  
Subject: Response to the 2003 Grand Jury Report  
"Police Services in Monterey County"

The Monterey County Grand Jury prepared a report for the year of 2003. In that report a section dealt with "Police Services in Monterey County". This was in response to complaints being received by the Grand Jury regarding insufficient police officer staffing, specifically that some responses for emergencies were slow.

The Grand Jury's report provides a comparative data chart, which gives population ratio to police officers, as well as their respective base pay. The City of Soledad has the highest ratio of population to officer with 1,684 residents to 1 police officer, and Sand City has the lowest with 27 residents to 1 police officer. The Counties average is 657.75 residents to every police officer.

These statistics are however deceiving as it pertains to Sand City. Since this city is the shopping and business center for the entire Monterey Peninsula, it draws a lot of people to Sand City. Our policing responsibilities are no different for residents than they are for those who may be conducting business in this community.

In 1994 a traffic count survey was conducted (see attached memorandum) by the city with vehicle counters being placed at every entrance into the city. This survey was done for a 7-day period, which gave us a weekly total of 148,530 vehicles entering Sand City. This equates to a daily average of 21,219 vehicles. If we factor 1.5 people per vehicle entering our jurisdiction, than our daily average service population is 31,828 visitors/shoppers plus an additional 4,000 workers in Sand City (total 35,828±). This would make the service population to officer ratio 3,583 to 1 during peak times. The Sand City Police Department organizes its patrol schedule to provide overlapping shifts according to our workload and service population.

We are able to maintain a safe environment for both our residential and our service population. If we exceed our abilities to respond, we have a contractual agreement for policing support from the City of Seaside and an excellent police mutual aid response protocol.

# City of Marina

211 HILLCREST AVENUE  
MARINA, CA 93933  
TELEPHONE (831) 884-1278  
FAX (831) 384-9148



March 4, 2004

THE HONORABLE TERRANCE R. DUNCAN  
PRESIDING JUDGE OF THE SUPERIOR  
COURT OF MONTEREY COUNTY  
240 CHURCH STREET, ROOM 318  
SALINAS CA 93901

RE: 2003 Grand Jury's Report Responses  
Affordable Housing & Police Services

Dear Judge Duncan:

Thank you for forwarding the Monterey County Grand Jury Report to me addressing Affordable Housing and Police Services.

Attached are the Marina City Council's responses to each of the items to the Grand Jury's recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Ila Mettee-McCutcheon", followed by a long horizontal flourish line.

Ila Mettee-McCutcheon  
Mayor



# City of Marina

211 HILLCREST AVENUE  
MARINA, CA 93933  
TELEPHONE (831) 884-1278  
FAX (831) 384-9148

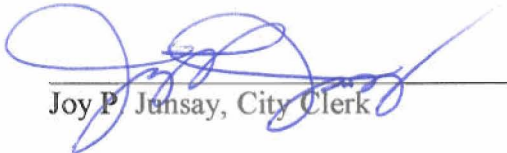


## CERTIFICATE OF THE CITY CLERK

I, JOY P. JUNSAY, CITY CLERK OF THE CITY OF MARINA, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of ***RESOLUTION NO. 2004-39 ACCEPTING RESPONSES TO 2003 FINAL REPORT – MONTEREY COUNTY GRAND JURY FOR THE CITY OF MARINA AND DIRECTING THAT THE RESPONSES BE FORWARDED TO THE PRESIDING JUDGE OF THE SUPERIOR COURT TERRANCE DUNCAN NO LATER THAN APRIL 1, 2004***, approved by the City Council of the City of Marina at a regular meeting duly held on March 3, 2004 and that the original appears on record in the Office of the City Clerk.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MARINA

Date: March 10, 2004

  
Joy P. Junsay, City Clerk

RESOLUTION NO. 2004- 39

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA  
ACCEPTING RESPONSES TO 2003 FINAL REPORT – MONTEREY COUNTY  
GRAND JURY FOR THE CITY OF MARINA AND DIRECTING THAT THE  
RESPONSES BE FORWARDED TO THE PRESIDING JUDGE OF THE  
SUPERIOR COURT TERRANCE DUNCAN NO LATER THAN APRIL 1, 2004

WHEREAS, the City received a copy of the 2003 Final Report – Monterey County Grand Jury, and;

WHEREAS, the Final Report contained two items requiring attention by the City of Marina consisting of review and written response. These items were “Affordable Housing on the Monterey Peninsula” (“**EXHIBIT A**”) and “Police Services in Monterey County” (“**EXHIBIT B**”), and;

WHEREAS, Pursuant to California Penal Code Section 933(c), the City of Marina is required to prepare written responses to these two findings and submit these written responses to the Presiding Judge of the Superior Court Terrance Duncan no later than April 1, 2004.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina hereby:

1. Accepts responses to the 2003 Final Report – Monterey County Grand Jury for the City of Marina (“**EXHIBIT C**” & **EXHIBIT D**”), and;
2. Direct that the responses be forwarded to the Presiding Judge of the Superior Court Terrance Duncan no later than April 1, 2004.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on March 3, 2004 by the following vote:

AYES, COUNCIL MEMBERS: Delgado, Gray, Morrison, Mayor Pro Tem McCall and Mayor Mettee-McCutchon

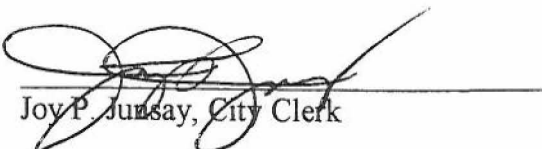
NOES, COUNCIL MEMBERS: None

ABSENT, COUNCIL MEMBERS: None

ABSTAIN, COUNCIL MEMBERS: None

ATTEST:

  
Ila Mettee-McCutchon, Mayor

  
Joy P. Junsay, City Clerk

## **AFFORDABLE HOUSING ON THE MONTEREY PENINSULA: A Regional Problem Requires a Regional Solution**

### **SUMMARY**

Lack of affordable housing has become a crisis on the Monterey Peninsula. Although individual cities are making efforts to increase the supply of affordable housing, local politics often interfere with achieving the goal. The Grand Jury conducted an inquiry into each of the Cities and the County's housing elements/plans to understand the issues and constraints in providing more affordable housing, and to evaluate the possibility of a more comprehensive regional approach to the dilemma facing the Monterey Peninsula.

### **BACKGROUND**

The California Legislature has determined that the state has an affordable housing crisis. With housing prices soaring, even those in moderate-income brackets often cannot afford to own a home. In Monterey County, the problem is even more serious. According to the 2002 National Association of Home Builders survey, Monterey County has the least affordable housing in the United States. Only 40% of residents own a home, and fewer than 23% could afford to buy a median priced home at today's prices. Not only is home ownership beyond the sights of most families, 40% cannot even afford the median monthly rent. The housing affordability gap is even more acute on the Monterey Peninsula than the rest of the County. On the Monterey Peninsula, housing costs are much higher due to such factors as lack of land, limited water supply, and the high percentage of second and vacation homes.

Each city on the Monterey Peninsula has a plan to address its housing needs and, in particular, to provide its fair share of affordable housing, as determined by the State with the help of the Association of Monterey Bay Area Governments (AMBAG).<sup>1</sup> Despite the honest efforts of most of the cities to meet their individual objectives, a wide range of factors: political, economic, environmental and social—have hampered progress. For example, Carmel, Pacific Grove, and Monterey have little or no land on which to build and lack adequate water, while Seaside and Marina, long the most affordable of the Peninsula cities, understandably want to maximize their tax base by encouraging higher priced properties that generate more revenue. These cities are fearful that excessive

---

<sup>1</sup> [The Association of Monterey Bay Area Governments (AMBAG) in accordance with State requirements establishes regional housing needs determination (RHND) for each jurisdiction in Monterey and Santa Cruz Counties. The future housing needs/goals (RHND "fair share") are used by each jurisdiction (Cities and County) in updating their 5 year housing element plans. Membership in AMBAG is voluntary and AMBAG has no enforcement power to insure agreed upon "fair share" levels are met.]



emphasis on affordable housing at the expense of market rate housing and commercial development will lead to a property tax base that is insufficient to support the cost of services a city must provide to the average household. For these reasons, all the cities' programs combined have barely made a dent in the regional affordable housing deficit.

The most significant opportunity for the Peninsula to address its affordable housing needs rests with the reuse plans for the former Fort Ord. The Fort Ord Reuse Authority (FORA) commissioned the Clark Group to examine workforce/affordable housing issues. The Clark Group Report, March 2003, concluded that many communities outside Monterey County have increased the percentage of low and moderate-income (affordable) housing to 30% or even 50% by establishing community trusts and other forms of funding. The housing trust/community trust fund<sup>2</sup> is an important mechanism available for administering a regional solution in providing affordable housing. These trust funds are funded and supported by a variety of public and private enterprises and interests that transcend local political boundaries. For example, with the support of the Housing Trust Fund of Santa Clara, the well planned efforts in the Los Arroyos housing project in Gilroy, developed by South County Housing, resulted in 60% affordable to very low to moderate-income households, 244 of the 373 housing units. One factor that helped make this project feasible was the establishment of market rate valuations for property tax purposes, i.e., property taxes based on assessment at full market value, despite subsidy and resale restrictions to retain the affordable housing classification.

## PROCEDURE

The Grand Jury conducted the following interviews:

1. Housing and Redevelopment Department;
2. Monterey County General Plan Update Analyst Group;
3. Planning Staff for City of Salinas and other Peninsula Cities;
4. Members of LandWatch;
5. Member of CHISPA;
6. Representative of Woodman Development Company; and a
7. Representative of Fort Ord Reuse Authority.

---

<sup>2</sup> Housing Trust Funds are distinct funds established by legislation, ordinances or resolution to receive public reserves, which can only be used for housing. Community Land Trust funds are typically private, non-profit corporations set up to acquire and hold land for the benefit of the community and provide access to land and housing.

The Grand Jury reviewed the following documents:

1. Inclusionary Housing Plans for Monterey County, City of Salinas, and City of Monterey;
2. Mayor's Ad Hoc Committee recommendations;
3. South County Housing "Los Arroyos" affordable housing approach;
4. 21<sup>st</sup> Century Monterey County General Plan and revisions;
5. Association of Monterey Bay Area Governments (AMBAG) documents;
6. LandWatch Land Use and General Plan;
7. Fort Ord Authority Affordable/Workforce Housing Study performed by The Clark Group Report;
8. Salinas Inclusionary Housing Feasibility Study performed by Bay Area Economics (BAE); and
9. Analyzed Housing Element for 12 of the major cities in the Monterey County.

The Grand Jury attended meetings and made field visits as follows:

1. Board of Supervisors meetings;
2. Monterey County General Plan Update Sessions;
3. FORA Board meetings;
4. Site visit Monterey County Inclusionary Housing; and made a
5. Site visit to the Los Arroyos Housing development, Gilroy.

## **FINDINGS**

1. The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.
2. Political, economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.
3. Affordable housing/home ownership is critical to the economic and social health of Monterey County.

4. The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.
5. Affordable housing thresholds in the range 30% to 50% are achievable.
6. The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.

## CONCLUSIONS

1. While the individual cities must continue their efforts to achieve affordable housing goals, lasting and meaningful accomplishments are best achieved through regional approaches. A regional approach, when endorsed and supported by important political constituencies, is better able to transcend the more narrow points of view inherent in local politics. The Fort Ord Reuse Authority (or other regional board structure) is a jurisdictional structure that could administer this regional approach.
2. Much of the population most affected by the housing affordability gap resides in the County's less affluent areas while constituting the workforce that services the citizens and business throughout the County.

## RECOMMENDATIONS

1. Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their "fair share" of the countywide need for additional affordable housing.
2. Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirements, by creating specialized developer incentives, and by developing funding sources.
3. In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that



would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.

4. Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by The Clark Group and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism whereby cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interests of the entire Peninsula region.

## **RESPONSES REQUIRED**

### **Monterey County Board of Supervisors**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

#### **City of Carmel**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

#### **City of Del Rey Oaks**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

#### **City of Marina**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

**City of Monterey**

Findings 1 through 6

Recommendations 1 through 4

Date due: April; 1, 2004

**City of Pacific Grove**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

**City of Sand City**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

**City of Seaside**

Findings 1 through 6

Recommendations 1 through 4

Date due: April 1, 2004

Responses to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

## POLICE SERVICES IN MONTEREY COUNTY

### SUMMARY

The 2003 Grand Jury recognizes the importance of essential statistical data to assist in identifying the proportion of police services available by jurisdiction within Monterey County. This informational report is designed to provide statistical data regarding number of sworn officers, officer per capita, base pay, and Federal Bureau of Investigation criminal offense statistics in order to assist Monterey County's various City Councils in developing their plans to provide for public safety.

### BACKGROUND

The Grand Jury began this investigation following receipt of complaints regarding insufficient police officer staffing. Specifically, some local law enforcement jurisdictions were not responding quickly to emergency police calls due to insufficient staffing of police officers. Historically the police departments have been understaffed due to city budget restraints, difficult recruitment processes, and poor long term retention. Lack of affordable housing has a direct impact on police officer retention.

### PROCEDURE

The Grand Jury conducted the following investigation:

- Interviewed several local police chiefs
- Reviewed documents from 11 police jurisdictions
- Federal Bureau of Investigation Statistics
- Citizen Complaints
- California Crime Index Statistics



The comparative data is recorded in the chart below:

Jurisdiction	Population	FBI Reports	Officers	Citizens Per Officer	Base Pay
Carmel	4,080	109	19	214/1	4,134.00
Del Rey Oaks	1,650	29	6	275/1	2,991.00
Gonzales	8,050	155	11	818/1	3,600.00
Greenfield	12,700	223	16	794/1	3,162.00
King City	11,250	470	17	661/1	2,971.00
Marina	21,000	472	33	636/1	3,295.00
Monterey	29,800	1,393	56	530/1	4,658.00
Pacific Grove	15,500	305	28	607/1	4,957.00
Salinas	148,000	7,032	165	899/1	4,343.00
Sand City	270	153	10	27/1	3,651.00
Seaside	32,200	1,005	43	748/1	4,500.00
Soledad	21,950	276	13	1,684/1	3,900.00

Understaffing of police departments adversely effects police services throughout Monterey County. The statistical chart above, which reviews the staffing and base pay within the various jurisdictions illustrates the need for increased officer staffing in several jurisdictions to ensure public safety. It is evident from the data that some jurisdictions may be increasing the risk to public safety by failing to fund adequate police forces. The citizens of Monterey County place public safety at the highest priority level. It is therefore necessary that all jurisdictions review their police service needs in light of the above data prior to establishing their budgets.

## RECOMMENDATIONS

1. The Grand Jury recommends the various police jurisdictions throughout Monterey County adopt a similar statistical chart for review of public safety services.
2. The Grand Jury recommends that the councils of the various incorporated cities review the statistical data charts produced by their respective police departments (see Recommendation 1) in assessing the city's budget.
3. The Grand Jury recommends to each city to organize a task force to establish an affordable housing assistance program. This issue directly effects the recruitment and retention of police officers in every police jurisdiction in the County of Monterey.
4. The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.

## RESPONSES REQUIRED

### City of Carmel

Recommendations 1 through 4

Date due: April 1, 2004

**City of Del Rey Oaks**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Gonzales**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Greenfield**

Recommendations 1 through 4

Date due: April 1, 2004

**City of King City**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Marina**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Monterey**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Pacific Grove**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Salinas**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Sand City**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Seaside**

Recommendations 1 through 4

Date due: April 1, 2004

**City of Soledad**

Recommendations 1 through 4

Date due: April 1, 2004

Response to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.



Response to Recommendations – 2003 Grand Jury Report on  
Affordable Housing in Monterey County

**FINDINGS:**

1. *The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.*

Yes, affordable housing is among the most serious problems facing Monterey County as well as all of metropolitan Northern California and the Central Coast Region. In particular, the lack of affordable housing in areas with high concentrations of jobs has contributed to serious socioeconomic imbalances and environmental problems on a regional scale. It is a regional, if not statewide issue.

Lack of affordable housing has long been an issue in the more affluent areas of the Monterey Peninsula and County. It has only become an issue for the City of Marina in recent years. Prior to the late 1990's, the City of Marina, along with its neighbor to the south, the City of Seaside, provided the majority of the housing affordable to workers on the Peninsula and on the former military base. In fact, it was known as the bedroom community to former Fort Ord. With the sharp inflation of housing values in Silicon Valley in the late 1990's, housing prices in Monterey County also increased in parallel although to a lesser degree.

Despite the significant increase in residential property values over the last five to six years, the City of Marina still continues to provide a substantial portion of the affordable housing on the Peninsula in the form of rental multi-family housing and mobile homes.

The 2000 Census indicates that Marina has 7,100 housing units (that are inhabitable at present time). Since 1999-2000, an additional 230 units have been developed or renovated in Marina, for a current total of about 7,330 units. Of this total housing supply, approximately 3,400 units, or 46 percent of the total supply, are duplex and multi-family housing. Another 493 units—approximately 7 percent of total housing—are manufactured homes located in one of Marina's several mobile home parks. In all, approximately 53 percent of the city's housing inventory is relatively affordable rental or owner-occupied housing at the present time. Additionally, of its 3,400 units of duplex and multi-family housing, approximately 191 are income-restricted units affordable to lower income persons and families in existing Central Marina, while another 109 units in Marina's former Fort Ord are income-restricted and affordable to lower-income households, for a total of 300 affordable, income-restricted units. Another 435 units in Marina's former Fort Ord, although not income-restricted, are still largely affordable to low and moderate-income households.

Having said this, the City does acknowledge that a substantial proportion of its residents are experiencing difficulty in finding affordable housing. The recently adopted Housing Element indicates that 42 percent of Marina's 3,640 renters and 32 percent of its 2,578 home owners pay 30 percent or more for rent or mortgage. This situation may be typical of what has become a problem in many areas of the State.

The solution to the housing crisis, however, is complex and multi-faceted, and no one jurisdiction can solve it alone. The long-term solution will entail a combination of state and regional involvement and funding, revenue sharing, and, ultimately, a substantial increase in housing production in those areas that have the resources to accommodate such housing.

2. *Political, economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.*

It is not unreasonable to balance affordable housing goals with other identified goals such as local fiscal health or protection of sensitive biological resources. State laws and regulations such as the Coastal Act and CEQA require such balancing in California.

3. *Affordable housing/home ownership is critical to the economic and social health of Monterey County.*

Yes, affordable housing is certainly critical to the economic and social well being of this County. Agriculture and tourism are and, historically, have been the engines driving Monterey County's economy. Both sectors rely upon predominantly lower paid workers. These workers should be able to find affordable housing in this County, ideally in those jurisdictions providing the jobs. If, because of resource constraints such as lack of water, those jurisdictions cannot provide the needed housing, then these job-rich jurisdictions should share in the ongoing public costs of providing the needed housing according to some agreed-upon and/or stipulated cost-sharing formula that has yet to be determined and implemented.

The City of Marina is currently providing a substantial portion of the housing for the workers employed elsewhere on the Monterey Peninsula (See Response to Finding #1). Along with the Salinas Valley communities and County of Monterey, it will also be accommodating much of the projected new housing development over the next 15 years. One of Marina's 2000 General Plan goals is to have a more diverse and balanced housing supply by, in part, increasing the amount of upper-end housing in the City. At the same time, the City is striving to increase the amount of housing affordable to its own workforce through the inclusionary housing requirement of its General Plan, as refined and expanded by the Housing Element adopted in January 2004. This requirement of Marina's newly adopted Housing Element stipulates that 20 percent of new housing be affordable to households with incomes ranging from less than 80 percent of the current County median income to 150 percent of the County median income.



The other side of this housing affordability issue is, of course, how to increase the number of higher quality or higher paying jobs in this County. Diversification of the County's economy is essential to this, but achieving this goal will undoubtedly be a long-term process. One concept that is being promoted by the University of California MBEST Center, located in Marina, is the Education-Research Crescent extending from U.C. Santa Cruz to Moss Landing to CSUMB to the Hopkins Marine Station. In the last three years, Marina has also developed its own jobs incubator facility in the vicinity of the MBEST Center. So in the area of jobs as well as housing, Marina has been and will continue to be proactive.

4. *The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.*

The City of Marina certainly concurs with this finding, particularly in these fiscally constrained times. A recent FORA staff report (for the January 9, 2004 FORA meeting) addresses the fiscal burden that affordable housing places upon those jurisdictions responsible for providing the public services. It notes that the amount of annual property tax revenue that a jurisdiction actually receives for new housing ranges from \$400 - \$900 per unit while the annual cost of providing necessary services is estimated at \$1,200 to \$2,000 per unit. Thus, although there is a public cost to the recipient jurisdiction of at least \$300 per unit for new housing, that cost is significantly higher for affordable housing e.g., in the range of \$600 to \$800 per unit annually, due to the lower amount of property tax for such housing that is received by the jurisdiction.

5. *Affordable housing thresholds in the range of 30 to 50 percent are achievable.*

Whether or not such thresholds are achievable depends on at least three important factors: first, the definition of affordable i.e., what household income category or categories the jurisdiction is attempting to serve; second, land and development costs; third, the type of developer, whether for profit or non-profit, involved in developing the housing. With respect to the first factor, because the public or private subsidy for providing housing affordable to lower income households and families is greater than that needed for higher income households, a developer may be able to provide a greater proportion of housing affordable to moderate income households than to lower income households i.e., households with incomes 80 percent or less of the current County Median Income.

Land and development costs are also obvious factors in determining the feasibility of providing affordable housing. For instance, new housing development in former Fort Ord entails a \$36,000 per unit FORA impact fee along with the additional impact fees charged by the jurisdiction.



Finally, the type of developer involved also greatly influences whether or not a higher affordable housing threshold is achievable. As noted by the Clark Group report (March 2003), “a for-profit developer may require a 15 percent annual return on the investment, whereas a nonprofit developer may only require a 5 percent return.” As a result, the report finds that development of mixed income housing developments, involving “cross-subsidization” is more likely to occur with nonprofit developers who use the rents or sales from high-income units to help subsidize lower income units.

A more recent economic study of the feasibility of providing moderate and below-market-rate housing, the latter defined by this study as housing affordable to households with incomes of 120 to 170 percent of Area Median Income, on former Fort Ord (Bay Area Economics, November 2003) found that below-market-rate inclusionary housing on former Fort Ord could be expanded to meet a 40 percent inclusionary objective “if it focuses on providing housing for-sale to households at 80 to 170 percent AMI levels within otherwise market rate developments.” This recent analysis accounted for the developer’s desired rate of return or profit. It suggests that housing affordable to those earning less than 80 percent AMI could be provided through other mechanisms than inclusionary.

Because a portion of Marina’s housing on former Fort Ord is likely to remain in public ownership indefinitely, Marina will be able to approach a 30 percent affordable threshold even though the developers of its new housing on the former base will be primarily for-profit entities subject to a 20 percent inclusionary requirement. With full implementation of the City’s inclusionary program in combination with existing affordable multi-family housing in Marina’s portion of former Fort Ord, Marina will achieve anywhere from a 29 - 32 percent affordable threshold for housing affordable to very low to below-market-rate households (“below-market-rate” in Marina is defined as housing affordable to households with incomes ranging between 120 percent and 150 percent of the current County Median Income). With inclusion of the approximately 145 existing and planned transitional units in Marina’s former Fort Ord, this percentage increases to 34 - 37 percent. What other jurisdiction on the Monterey Peninsula even begins to approach this benchmark?

6. *The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.*

The trust fund mechanism along with establishment of a community land trust are two potentially viable mechanisms that have been effective elsewhere in providing housing affordable to workforce and lower income households. The FORA Board has been working with its member jurisdictions to establish a Housing Trust Fund. However, unless some revenue-sharing mechanism is involved that adequately compensates the recipient jurisdiction for the reduced property tax revenue stream and increased public service costs, this trust fund

may experience difficulty in achieving political support from the citizens of Marina.

The City of Marina is currently investigating the feasibility of different mechanisms for providing affordable housing, including rent to own, sweat equity and employee housing programs and the establishment of its own housing trust fund and community land trust in Marina's portion of former Fort Ord.

## RECOMMENDATIONS:

1. *Each of the Monterey Peninsula cities and the county should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their "fair share" of the countywide need for additional affordable housing.*

In the absence of this Grand Jury recommendation, individual jurisdictions would still be obligated, pursuant to State Housing Law, to implement the housing policies and programs as set forth in their respective adopted Housing Elements in order to meet their Regional Housing Needs Determination allocation.

2. *Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirements, by creating specialized developer incentives, and by developing funding sources.*

Through its recently adopted Housing Element, Marina increased its affordable Inclusionary Housing requirement from 15 percent to 20 percent with respect to housing affordable to lower and moderate income households. The 2000 General Plan also contained a 20 percent inclusionary requirement but this applied to lower to below-market-rate income households. The Marina Housing Element's Inclusionary Program requirement also provides for an additional 10 percent, voluntary/incentive-based provision for below-market-rate housing. The City is thus already obligated to create developer incentives.

It should also be noted that State law already provides a significant incentive to developers that preempts local regulations. The Density Bonus Law (Section 65915 of the Government Code) provides for an automatic 25 percent density bonus (or concessions of equivalent value) if a developer proposes to construct a minimum of 20 percent of the total units for affordability to lower income households; or 10 percent of the total units for very low income households, or 50 percent of the total development for qualifying residents i.e., a person at least 62 years old or 55 years of age or older and residing in a senior citizen housing development, or 20 percent of a condominium project for persons and families of moderate income. However, no developer in Marina has availed himself of the Density Bonus law since the mid-1980's.



3. *In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.*

The City of Marina agrees with this Grand Jury recommendation. The mechanism must be based on some revenue-sharing formula that adequately accounts for the true costs associated with housing production, especially the development of affordable housing. Job-rich/housing poor jurisdictions must begin to assume responsibility for sharing the costs of providing affordable housing that supports all or a portion of their workforce. Getting these affluent jurisdictions to agree to such revenue sharing will be a difficult challenge, however, one that may ultimately be determined by the State if the current housing crisis persists and/or worsens.

4. *Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by the Clark Group and aggressively pursue the sources of funding in the recommendations.*

The City of Marina has reviewed the Clark Group's report and notes that the majority of the Clark Group's recommendations (March 2003) directly pertain to FORA. The Clark Group recommendation that directly affects FORA jurisdictions is Recommendation 2, which recommends that FORA jurisdictions "act to create a tax increment pool as one of the most significant funding mechanisms" (for the recommended Housing and Community Land Trust). This recommendation could entail allocating a portion of Marina's Redevelopment Agency 20 percent Housing Set-aside Fund for this purpose and/or increasing the Housing Set-aside Fund to enable adequate funding if this FORA and countywide organization is established and if Marina ultimately agrees to participate in this organization. Marina is also studying the feasibility of establishing its own Housing Trust Fund and Community Land Trust in accordance with its adopted Housing Element, and may need to rely on a portion of its tax increments to fund the establishment of its own local housing trust fund and housing/land trust.



**Response to Recommendations – 2003 Grand Jury Report on  
Police Services in Monterey County**

**Grand Jury Recommendation:**

1. 1. The Grand Jury recommends the various police jurisdictions throughout Monterey County adopt a similar statistical chart for review of public safety services.

**City of Marina Response:**

The City of Marina Department of Public Safety has utilized a similar criminal statistics chart for several years (“EXHIBIT A”). Based upon the Grand Jury’s recommendation, our Director of Public Safety has placed this as an agenda item at their next regularly scheduled meeting for discussion/consideration by the Monterey County Chief Law Enforcement Officers Association (MCCLEOA).

**Grand Jury Recommendation:**

2. 2. The Grand Jury recommends that the councils of the various incorporated cities review the statistical data charts produced by their respective police departments in assessing the city’s budget.

**City of Marina Response:**

The Marina City Council will, as we have in years past, review statistical data provided by our Department of Public Safety staff during the process of budget preparation for fiscal year 2004-2005 as a means of assessing and addressing police and fire needs of our community.

**Grand Jury Recommendation:**

3. 3. The Grand Jury recommends to each city to organize a task force to establish and affordable housing assistance program. This issue directly effects the recruitment and retention of police officers in every police jurisdiction in the County of Monterey.

**City of Marina Response:**

The Marina City Council has for some time been involved in discussions on numerous options for affordable housing within our community for all of our employees who serve our citizens. We have an appreciation for the complexities involved in this process and will continue to work collectively toward resolution.

**Grand Jury Recommendation:**

4. 4. The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.

**City of Marina Response:**

The Marina City Council supports this recommendation. We will endeavor to provide the Monterey County Grand Jury with comparative data on police staffing levels annually for review using an as yet to be created statistical chart format common to all of the reporting jurisdictions in the County of Monterey.

Marina Department of Public Safety  
Calendar Year 2003  
Part I Crime Statistics

Exhibit A

CRIME	HOMICIDE		RAPE		ROBBERY		ASSAULT		BURGLARY		THEFT		MV THEFT		ARSON	
MONTH	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared
January	0	0	0	0	2	1	16	16	13	4	19	5	0	2	0	0
February	0	0	0	0	4	1	13	11	5	0	21	5	0	0	0	0
March	0	0	1	0	1	1	15	14	17	5	33	1	0	0	0	0
April	0	0	0	0	5	4	14	9	12	4	32	7	1	0	0	0
May	0	0	1	0	3	3	7	7	7	1	25	2	0	1	0	0
June	0	0	0	0	3	1	14	6	8	3	23	5	2	0	0	0
July	0	0	0	0	2	1	19	14	14	3	31	5	5	1	1	1
August	0	0	0	0	1	2	15	7	10	1	12	2	1	3	1	1
September	0	0	1	0	7	6	11	8	13	3	35	2	0	0	1	1
October	0	0	0	0	2	2	11	10	15	2	26	5	0	0	0	0
November	0	0	3	2	3	3	13	10	12	0	30	5	0	0	2	1
December	0	0	1	1	5	1	15	9	21	7	22	2	5	4	1	1
TOTAL	0	0	7	3	38	26	163	121	147	33	309	46	14	11	6	5
% Cleared		0		42.8		68.4		74.2		22.4		14.8		78.6		83.3



Marina Department of Public Safety  
Calendar Year 2003  
Part I Crime Statistics

Exhibit A

RAPE		ROBBERY		ASSAULT		BURGLARY		THEFT		MV THEFT		ARSON	
Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared	Reported	Cleared
0	0	2	1	16	16	13	4	19	5	0	2	0	0
0	0	4	1	13	11	5	0	21	5	0	0	0	0
1	0	1	1	15	14	17	5	33	1	0	0	0	0
0	0	5	4	14	9	12	4	32	7	1	0	0	0
1	0	3	3	7	7	7	1	25	2	0	1	0	0
0	0	3	1	14	6	8	3	23	5	2	0	0	0
0	0	2	1	19	14	14	3	31	5	5	1	1	1
0	0	1	2	15	7	10	1	12	2	1	3	1	1
1	0	7	6	11	8	13	3	35	2	0	0	1	1
0	0	2	2	11	10	15	2	26	5	0	0	0	0
3	2	3	3	13	10	12	0	30	5	0	0	2	1
1	1	5	1	15	9	21	7	22	2	5	4	1	1
7	3	38	26	163	121	147	33	309	46	14	11	6	5
	42.8		68.4		74.2		22.4		14.8		78.6		83.3



## CITY OF PACIFIC GROVE

300 FOREST AVENUE  
PACIFIC GROVE, CALIFORNIA 93950  
TELEPHONE (831) 648-3100  
FAX (831) 657-9361

March 20, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
North Wing, Room 318  
240 Church Street  
Salinas, CA 93901

Dear Judge Duncan:

Please accept the following information as the response to the 2003 Grand Jury Report from the City of Pacific Grove. The responses were approved by the City Council at their meeting of March 17, 2004.

### **AFFORDABLE HOUSE ON THE MONTEREY PENINSULA**

The following are the grand jury's findings and the city's responses.

1. The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.

*RESPONSE - The respondent agrees with the finding.*

2. Political, economic, social, and environmental considerations often interfere with the achievement of reasonable affordable housing goals.

*RESPONSE - The respondent agrees with the finding.*

3. Affordable housing/home ownership is critical to the economic and social health of Monterey County.

*RESPONSE - The respondent agrees with the finding.*

4. The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential



infrastructure and ongoing public services to both old and new development.

*RESPONSE – The respondent disagrees with the finding in part. The Cities of Marina and Seaside may be forced to choose market-rate housing and commercial development over affordable housing opportunities. However, revenue sharing should not be looked to as the only incentive or funding source for the creation of affordable housing. Other opportunities for funding and encouraging affordable housing, such as housing trust funds, regulatory incentives, and employer contributions, should be given careful consideration.*

5. Affordable housing thresholds in the range 30% to 50% are achievable.

*RESPONSE – Respondent agrees with the finding.*

6. The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup, and help make affordable housing available to those increasingly priced out of the market.

*RESPONSE – Respondent agrees with the finding.*

#### **RECOMMENDATIONS WITH RESPONSE**

1. Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current housing element plans to provide their “fair share” of the countywide need for additional affordable housing.

*RESPONSE – The recommendation has been implemented. Pacific Grove’s “fair share” of regional housing needs was calculated to be 246 units. Between the years 2000 and 2002 there were 55 units approved leaving a balance of 191 “fair share” units. Elements of the Pacific Grove General Plan continue to be implemented so that the remaining “fair share” units can be realized.*

2. Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirements, by creating specialized developer incentives, and by developing funding sources.

*RESPONSE – The recommendation has been implemented. Pacific Grove has provided and made possible affordable housing opportunities. Density bonuses and exceptions to land use regulations are incentives that have resulted in the creation of affordable housing units. Examples of projects that have been recently approved and received density bonus approval and exceptions to zoning requirements include the Pacific Grove Senior Housing project (with 49 affordable units) and approval of a ten-unit multi family project (with 2 affordable units). Recent changes to the municipal code allow for the administrative approval of secondary housing units and a new program adopted by the City Council will allow for the recognition of certain illegal housing units. Each of these is expected to increase affordable housing levels*

3. In recognition of the regional nature of the problem, a mechanism must be established



to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.

*RESPONSE – The recommendation will not be implemented. Shifting limited revenues from the City of Pacific Grove to other areas will impact the ability of the city to provide currently provided essential services to its citizens and its ability to attract and retain the businesses that provide a sustainable tax base. A limited supply of developable land in the commercial zones restricts opportunities for new revenue generating sources. Land for affordable housing opportunities is equally limited. Due to this, other ways of providing housing, such as incentives in the form of exceptions to zoning requirements, density bonuses, and recognition of illegal housing units, have been developed. All potential solutions for the creation of housing need to be explored.*

4. Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by The Clark Group and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey, and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism whereby cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interests of the entire Peninsula region.

*RESPONSE – The recommendation has been implemented and the recommendations from the Fort Ord Reuse Affordable/ Workforce Housing Study by the Clark Group have been reviewed and considered. The City is a member of the Fort Ord Reuse Authority and contributes to the ongoing discussions on affordable housing. Given the economic realities of the current budget of Pacific Grove, revenue sharing would be problematic. The City will continue to be supportive of regional solutions for the production of affordable housing so long as these do not create a financial impact or burden on the City.*

## **POLICE SERVICES IN MONTEREY COUNTY**

The following are the grand jury's findings and the city's responses.

1. The Grand Jury recommends the various police jurisdictions throughout Monterey County adopt a similar statistical chart for review of public safety services.
2. The Grand Jury recommends that the councils of the various incorporated cities review the statistical data charts produced by their respective police departments (see Recommendation 1) in assessing the city's budget.
3. The Grand Jury recommends to each city to organize a task force to establish an affordable housing assistance program. This issue directly effects the recruitment



and retention of police officers in every police jurisdiction in the County of Monterey.

4. The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.

*In reference to recommendation #1 and #2 of the 2003 Grand Jury report the position of the Pacific Grove Police Department is that we agree with the recommendations in principle. However, we do believe that this is a simplistic approach that doesn't take into account all crime and their dynamics, and all police activity. It makes a further assumption that only increase police staffing will lower crime rates. Crime is much more complex. The Pacific Grove Police Department has historically provided the Pacific Grove City Council with such comparative data and recommendations for police staffing.*

*The state and federal governments typically track crime rates by comparing what is called the "part-one crimes." Part-one crimes are: murders, rapes, robberies, assaults, burglaries, car thefts, all other thefts, arsons and attempts of these crimes. Part-one crimes are the more serious victim crimes, but are only part of the duties of police departments. Other duties include traffic safety and enforcement, other minor victim crimes such as vandalism and trespassing, domestic and other disputes, drug and alcohol use by adults and children, just to name a few.*

*In 2002 Pacific Grove experienced 387 part-one crimes; in 2003 the number had dropped just over 3% to 375. Deceases occurred in all categories, except robberies and other thefts, which saw slight increases, see table 1 below. This downturn occurred even though the City of Pacific Grove reduced staffing levels from 30 to 28 sworn officers in 2003. Due to budget restraints the police department is currently operating at 25 sworn positions and at no time during 2003 did we exceed 26 sworn officers.*

TABLE 1

PART ONE CRIMES BREAKDOWN (Includes Attempted Crimes)								
	<u>Murd</u> <u>er</u>	Rap e	Assaults	Robberies	Burglarie s	Car thefts	Thefts	Arsons
2002	1	8	69	2	92	15	200	0
2003	0	3	60	5	70	9	228	0

*The table 2 below illustrates our total part-one crimes, as well as other police activity to include; traffic accidents, traffic written warnings, traffic citations issued, driving while under the influence (DUI) arrests, and all other arrests during the past 5 years. As you can see, the crime rates have fallen; traffic accidents have decreased, while citations, DUI arrests and all other arrests are on an upward trend, following a sharp downturn in 2001 due to personnel changes.*

	1999	2000	2001	2002	2003
Total Part-One Crimes	377	358	336	387	375
Traffic Accidents	246	272	257	178	177
Written Warnings	650	948	614	536	917
Moving Citations	3,703	3,189	1,526	1,583	1,768
<b>Total Citations</b>	4,353	4,137	2,140	2,119	2,685
DUI Arrests	63	78	61	74	128
Total of All Other Arrests	422	516	342	473	569

TABLE 2

*As mentioned earlier, police departments measure their effectiveness by comparing their part-one crimes not only to past years, but also to surrounding communities per 1,000 population ( $\text{Population} \div 1,000 = x$ .  $\text{Part-one crimes} \div \text{by } x = \text{part-one crime rate per 1,000 population}$ ). Table 3 below illustrates Pacific Grove's crime rate compared to the other cities on the Monterey peninsula, but does not take into account such factors as high tourism, transient populations or large retail complexes. As illustrated, Pacific Grove has the lowest crime rate per 1,000 population, even when compared to cities with better "citizen per officer" ratios.*

TABLE 3

City Name	Police Officers per Citizens	2000 census Population	2003 part-one crimes	Part-one crime rate per-1,000
Sand City	1 officer to 27 citiz.	270*	165	611.11
Monterey	1 officer to 530 citiz.	29,674*	1,416	46.66
Marina	1 officer to 636 citiz.	19,163	691	36.06
Seaside	1 officer to 748 citiz.	33,097	1,211	36.59
Del Rey Oaks	1 officer to 275 citiz.	1,650	55	33.33
Carmel	1 officer to 214 citiz.	4,081*	112	27.44
<b>Pacific Grove</b>	<b>1 officer to 607 citiz.</b>	<b>15,522*</b>	<b>375</b>	<b>24.16</b>

*Table 3 \*City's population increases due to high tourism and transient (hotel guest) or store populations.*

*There are problems in associating some staffing levels because that does not always take into account frozen open positions, long-term disability injuries, leave time and transient population based on either retail complexes or tourism. The average in California is one officer per 500 population.*



*The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
March 20, 2004  
Page 6 of 6*

*IN regards to Recommendation #3, the City of Pacific Grove has an established Housing Committee that has worked on affordable housing for many years. Recent results is the creation of senior housing, approvable of guidelines for second units in residential areas, recognition of illegal units through conversion to affordable housing, and housing rehabilitation programs. A separate task force would be redundant.*

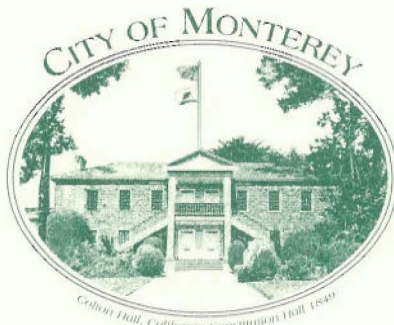
*Further, the salary section of the Grand Report was not a total compensation review. Pacific Grove had the highest salary, but our reported salary was total compensation to include retirement and health insurance. Other cities were not. Pacific Grove Police Department will continue to provide the City Council and the general public the above statistical data, but will try to include comparative staffing levels and salary for the surrounding cities in accordance with recommendation #4.*

Thank you for the opportunity to provide this information to the Grand Jury.

Sincerely,



Morris G. Fisher  
Mayor



March 17, 2004

Mayor:  
DAN ALBERT

Councilmembers:  
THERESA CANEPA  
CHUCK DELLA SALA  
CLYDE ROBERSON  
RUTH VREELAND

City Manager:  
FRED MEURER

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
240 Church Street  
Salinas, CA 93901

Re: City of Monterey Responses to the Grand Jury 2003 Final Report

Dear Judge Duncan:

Attached are the responses of the City Council of the City of Monterey, as required by Sections 933 (c ) and 933.05 (a) and (b) of the California Penal Code, to the **Findings and Recommendations** in the 2003 Monterey County Grand Jury Report.

The City Council, Monterey's governing body, approved the responses at the following meeting dates:

1. Police Services in Monterey County approved on March 2, 2004.
2. Affordable Housing on the Monterey Peninsula approved on March 16, 2004.

Sincerely,

Dan Albert  
Mayor

Attachments:      1. Response to Police Services in Monterey County  
                         2. Response to Affordable Housing on the Monterey Peninsula

## ATTACHMENT 1

### CITY OF MONTEREY RESPONSE TO 2003 GRAND JURY REPORT: POLICE SERVICES IN MONTEREY COUNTY

**Recommendation #1:** The Grand Jury recommends the various police jurisdictions throughout Monterey County adopt a similar statistical chart (see attachment) for review of public safety services.

**Recommendation #2:** The Grand Jury recommends that the Councils of the various incorporated cities review the statistical data charts produced by their respective departments (see Recommendation 1) in assessing the city's budget.

**Recommendation #4:** The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.

**Response: *The City of Monterey disagrees with these recommendations.*** *These recommendations will not be implemented because they are not warranted.*

*Public safety continues to be the very highest priority for the City of Monterey. For fiscal year 2003-2004, 36% of the City's operating budget is dedicated to public safety, including over \$9.5 million for the Police Department. We recognize the importance of providing prompt police response to emergency calls from the community and we are proud of the performance of our police officers in that regard. During 2003, the average response time of Monterey police officers to emergency calls was 4.33 minutes.*

*The City of Monterey uses a variety of data in determining the appropriate level of staffing for the Police Department, including crimes, response time and population to officer ratios. To a degree, such statistics for neighboring communities may be informative, however it is felt that each city has unique needs and financial limitations and must make its police staffing decisions based on what's best for its community.*

**Recommendation #3:** The Grand Jury recommends to each city to organize a task force to establish an affordable housing assistance program. This issue directly effects the recruitment and retention of police officers in every police jurisdiction in the County of Monterey.

**Response: *The City of Monterey disagrees with this recommendation.*** *The recommendation will not be implemented because it is not warranted.*

*The City of Monterey is committed to making affordable housing available, not only to the City's employees, but to the larger community. The City has analyzed a model that utilizes considerable subsidies from the general fund to write down the cost of*



*housing to the essential employee, and to provide a substantial down payment. The City has investigated both shared equity and limited equity cooperatives. The City*

*believes that each jurisdiction must work with the factors that affect housing within that jurisdiction. The City has extensively investigated the Santa Barbara model of homeownership for employees, which is one of the most innovative in the State.*

*As with other jurisdictions in the County and State, the City is impacted by the economic conditions, and the fiscal impacts of the state's budget crises. The City is facing a fiscal downsizing, which precludes such a program at this time. The City does not have the staff resources to devote to a task force to study affordable housing specifically to police officers. The City is committed to develop affordable housing on City owned land, which will include police officer or essential employee housing. The recent downturn in the economy, and other impacts to the general fund has resulted in a delay in implementing a housing program targeted specifically toward police officer recruitment or retention.*

**CITY OF MONTEREY RESPONSE TO 2003 GRAND JURY REPORT:  
AFFORDABLE HOUSING ON THE MONTEREY PENINSULA**

It is not clear to us from the "Procedure" Section, Item 3, of the Grand Jury Report exactly which cities other than Salinas were interviewed. The City would have preferred to have had the opportunity for our professional housing staff to be interviewed on this very complex topic during the initial procedure. We would appreciate the ability to do so in the future if the opportunity presents itself.

In response to the Background Section of the report, the City of Monterey wishes to clarify that we are not "fearful of putting an excessive emphasis on affordable housing at the expense of market rate housing." Nor, do we wish to be characterized as one of the cities that has been "barely making a dent with efforts towards affordable housing."

The City of Monterey has been very successful in developing affordable housing programs and projects during the past 30 years. In the early 1980's the City developed the first Inclusionary Housing Ordinance in the County that required 15% of all units in projects of ten or more units to be affordable to low or moderate-income households. That Inclusionary Housing requirement was recently increased to 20%. Additionally, we would point out that the City of Monterey was the first Peninsula City to adopt a definition of affordable workforce housing. We recently approved the concept for a privately-financed housing project with a minimum of (40%) permanently-affordable workforce housing. We recently approved a private-sector built / public-sector financed 100% permanently-affordable apartment complex for workforce housing.

The City of Monterey recently adopted a policy that any City-owned land used to develop housing will contain 100% permanently affordable housing. The City of Monterey would hold our long-term track record on producing numerous affordable housing programs and projects up for comparison with other similar jurisdictions.

Attached to this letter as Exhibit 1, is a copy of the "City of Monterey's Inventory of Current and Proposed Affordable Housing Units". As you can see, we have 440 affordable homes now, 57 approved and pending construction at this time, and 323 being processed for consideration. We believe this to be a clear demonstration of the City of Monterey's long-standing and ongoing commitment, investment, persistence and progress in the realm of affordable housing.

The City would also like to point out that the "Clark Study" developed for the Fort Ord Reuse Authority (FORA), which is referenced in the Grand Jury Report, interchanged the words and concepts "Housing Trust" and "Housing Land Trust" which caused some confusion. A Community Land Trust (or land lease model) and a Community Housing Trust Fund are very different functions, but are both valuable tools to assist to produce affordable housing. Thanks to funding from the Fort Ord Reuse Authority and the efforts of numerous other agencies and organizations, including the City of Monterey, this Countywide Housing Trust may be the single most important tool we will have to address the challenges related to the provision of adequate and affordable housing. The vision for a Countywide Housing Trust and Land Trust is planned to be implemented by June 30, 2004.



With reference to the specific findings noted in the report, the City of Monterey offers the following comments:

**Finding Number 1-** *The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.*

**Finding Number 2-** *Political economic, social and environmental considerations often interfere with the achievement of reasonable affordable housing goals.*

**Response: Agree with Findings 1 & 2** – However, while the challenge is great and obstacles may seem too many some of the time, the City of Monterey has always been and still is committed to providing its share of affordable housing for its residents, and we make every effort to do so. The escalation of housing prices, especially since 1998, in this very desirable coastal area, is not a new phenomenon; unfortunately, this is also common throughout much California and especially along the coast. The complexities associated with a rapidly escalating real estate market coupled with a dissimilar increase in average annual household incomes cannot be over-simplified to be solely a revenue issue, nor solely a supply-side solution.

The City of Monterey contains 13,382 total housing units, more than any other community in the County, except Salinas. Over 62% of the housing stock is comprised of rental properties. This City has clear plans and priorities to achieve more ownership housing for our workforce. The City of Monterey aggressively supports and proactively enters into partnerships to produce much-needed affordable workforce housing. The City has provided financial support and many creative incentives to produce a number of workforce housing projects, as well as low and extremely low-income housing, in conjunction with the Housing Authority of the County of Monterey, Interim, Inc., CHISPA, and private developers.

The City's collaborative effort with a private developer for the Osio Plaza Mixed-Use Project is a fairly recent example of a model project developed for the workforce of downtown. In 1999, we developed 33,000 square feet of multi-level mixed-use space that contains theaters, retail office, and 29 units of permanently-affordable workforce housing. The total cost of the development was \$5,650,000, with the City lending the developer a \$2,700,000 low-interest deferred loan.

The City of Monterey's recently adopted Housing Element (2003) provides numerous specific incentives for workforce housing, to be comprised of high-density housing in mixed-use areas, near existing goods and services. In Monterey, the political, economic, social and environmental considerations do not interfere with the achievement of reasonable affordable housing goals, as depicted in the report. The City of Monterey has always exceeded its Regional Allocation of housing for low and very-low-income households. The community and City Council are supportive of more workforce rental and ownership housing in mixed-use areas that can accommodate high density.

Besides the limited availability and high cost of land, one of the most significant impediments to any housing construction or redevelopment in Monterey is the lack of a reliable water source. We share this challenge with other jurisdictions in the Monterey Peninsula Water Management District area. Our draft General Plan contains goals and policies to find a water source with or without the Water District. However, this is a substantial undertaking for a community of approximately 30,000 people. It is important to note we have actually lost or delayed



development of hundreds of affordable housing units due to a lack of an adequate water supply.

**Finding Number 3-** *Affordable housing/homeownership is critical to the economic and social health of Monterey County.*

**Response: Agree with the Finding-** The City believes that homeownership is a desirable option for the City, but recognizes that some households may never have the means or the desire to purchase a home affordable to them in the City of Monterey. However, the Housing Element is encouraging new homeownership opportunities in the City's commercial and mixed-use areas. A package of incentives is being prepared to encourage mixed-use housing development at 30 dwelling units per acre.

The City has, over the long-range, goals for the Ryan Ranch area that could contain a substantial number of affordable housing types for all income groups. We have a lot of experience in that area. For example, in the mid -1990's, the City developed the Laguna Grande homeownership project, by contributing the land to a private developer to build nineteen (19) - 3 bedroom, 2 ½ bath homes, affordable to low to moderate-income first-time homebuyers. The units are deed restricted and are 100% permanently affordable. We have a track record of developing ownership homes and we plan to do more within our City limits, and elsewhere when collaborations are viable.

Sometimes it seems easy to forget that the City of Monterey is a mature City that once struggled with poverty and economic development when the sardine canneries closed, and there was little work available for the workforce. At that time, the City contained many substandard housing units that housed the "low-income" working-poor families. The demise of the canneries called for serious redevelopment and investment which has been accomplished by the Monterey City Council over decades. Many of the older, substandard homes have been restored, and are now worth many times their previous value. While these higher home values are "problematic" now, this effort has already economically empowered several generations of Monterey families. Even with this long-term track record, the City of Monterey persists to provide more affordable housing; however, it is completely unreasonable to think that Monterey, after all its past redevelopment and investment in housing and jobs, should be approached to share its revenue streams it worked so hard to develop for its residents.

**Finding Number 4-** *The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development (e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.*

**Response: Disagree Wholly with the Finding-** The City of Monterey is not supportive of a revenue-sharing process. Nor do we believe that revenue gained or lost from real estate is the primary factor for peninsula communities deciding whether or not to develop more affordable housing. The issue is more complex than that, and we often see that social goals play a higher role than financial matters in this issue. The finding seems to imply that the City of Monterey should support infrastructure and service costs for affordable housing in adjacent communities. We would reiterate that the City of Monterey faced the same challenges in the past that Seaside and Marina do now. With the use of redevelopment tools and good planning, the



community was able to emerge into a world-class visitor destination. We should not be penalized for our progress.

The City of Monterey has become fairly self-sufficient, with healthy programs in support of homeownership. The City of Monterey has effectively utilized the land lease program for its Osio Plaza Project, and utilizes opportunity-buying to assist the City to develop on City owned land and to reduce the costs to produce affordable housing and homeownership programs. The City of Monterey has ownership units in its inventory that sell for as little as approximately \$93,000. The City provides a down payment assistance program to provide a deferred low-interest loan of up to \$45,000 to help households become first time homebuyers. We believe that the City of Monterey has a greater and more diverse portfolio of programs and projects, as well as more staff dedicated to affordable housing than other Peninsula cities.

The City acknowledges that workforce housing is a regional problem and it is willing to work through collaborative programs to assist with the regional issue. The City is willing to continue our efforts to form a Countywide Community Housing Trust Fund and a Community Land Trust, but we are not willing to support any form of mandatory revenue sharing formula or process.

**Finding Number 5-** *Affordable housing thresholds in the range of 30% to 50% are achievable.*

**Response: Disagree Partially with the Finding-** The report notes that affordable housing thresholds in the range of 30% to 50% are achievable. This is misleading. When the cost of land is taken out of the financial proforma, housing can be developed at those ranges to be affordable to lower-income households. As noted above, the City of Monterey has produced several permanently affordable ownership units this way on City owned land. However, also, please remember in our case, we simply did not pass along the land cost to the new owners or renters. In the case of Fort Ord lands, there are very high costs of remediation and infrastructure redevelopment, which cannot be ignored. Land is very rarely “free” when all costs related to its use are considered.

**Finding Number 6-** *The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup and help make affordable housing available to those increasingly priced out of the market.*

**Response: Disagree Partially with the Finding-** A Housing Trust Fund can be comprised of redevelopment funds under the mandatory 20% housing set-aside, which will be generated by the substantial hotel, commercial, airport, industrial, golf-courses and other tourism-based uses planned in both the Marina and Seaside portion of the former base. However, this may place a disproportionately high burden on these two cities. State and Federal funding can augment the funds, as well as housing bonds, and tax credit programs. Fannie Mae and CalHFA have developed many creative programs to fund both ownership and rental projects. Private industry employers can also apply a great deal of resources to be part of this solution too. As noted before, the City of Monterey is supportive of a County-wide Housing Trust, or a land lease model as powerful tools to address affordable housing needs. But again, the City of Monterey is not supportive of a revenue sharing system.

**Response to Recommendations:**

**Recommendation Number 1-** *Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their current*



*housing element plans to provide their "fair share" of the countywide need for additional affordable housing.*

**Response: The Recommendation Has Been Implemented-** The City of Monterey has the necessary policies in-place and is committed to producing affordable housing. The City has developed a Housing Element that identifies a fair share of approximately 1,200 units to be developed in the City of Monterey over the planning period. The City will utilize all of its resources to meet or exceed the regional allocation. The City exceeded the 1992-2002 fair-share goals for low and moderate-income housing, although the private market did not meet its goal for market-rate housing. The City exceeded its goal for housing rehabilitation for 229 units, and exceeded the goals for low-income homeownership. Since the adoption of its Inclusionary Housing Ordinance in 1982, 440 affordable units have been produced. Of the 440 units produced, non-profits and the Housing Authority developed 231 units. We stand on our track record, commitment and demonstrated abilities.

**Recommendation Number 2-** *Continue ways to increase affordable housing levels through increasing the percentage of Inclusionary Housing requirements by creating specialized developer incentives, and by developing funding sources.*

**Response: The Recommendation Has Been Implemented-** The City of Monterey has recently developed policies to increase the percentage of Inclusionary Housing requirements. The City has already created specialized developer incentives, and has engaged in an aggressive grant writing campaign to fund lower income housing. At this time, the Housing Element contains a recently increased policy for 20% Inclusionary Housing for all new development, to be restricted as affordable for the life of the project. The City has also adopted a policy that all new housing developed on City owned land shall be 100% permanently-affordable workforce housing. The Housing Element also indicates that the City will investigate a housing impact fee for new residential units, condominium conversions, and non-residential projects based on the City's need for affordable and workforce housing. That matter will be reviewed again by the City Council this summer. Additionally, the Housing Element identifies the following as incentives to developers for additional affordable units:

- ◆ Density bonuses in commercial districts
- ◆ Fast track processing
- ◆ Zoning flexibility
- ◆ Water allocation priority
- ◆ Funding
- ◆ Parking adjustments
- ◆ Cooperative agreements with developers and/or non-profit agencies

The City very recently provided a private developer a \$2,300,000 low-interest loan; that, when coupled with additional incentives such as parking reductions, density bonuses, and a water allocation, produced a 100% permanently affordable 21-unit workforce housing project. The project is currently being developed in the Cannery Row area on the site of five former "cannery worker cottages".

Most recently, the City was able to negotiate for additional affordable units (33%) for the recently completed mixed-use Sloat and Del Monterey Project. Also, at the site of the old Dream Theater on Lighthouse Avenue, the City was able to negotiate more mixed-use, affordable housing than under the Inclusionary Housing Ordinance. Lastly, the City is



negotiating to finance a mixed-use project in our downtown area, to upgrade it from 20% to 100% permanently affordable apartments.

**Recommendation Number 3-** *In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options, that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.*

**Response: The Recommendation Will Not Be Implemented Because it is Not Reasonable for the Reasons Previously Stated-** Over the years, the City of Monterey has invested a great deal in staff and resources to provide programs, monitor programs, and develop projects that facilitate homeownership and affordable/workforce housing development. The City is aggressively pursuing new development projects and new sources of funds. We will continue to do so, within our City limits and without revenue sharing.

**Recommendation Number 4-** *Review the recommendations from the Fort Ord Reuse Affordable/Workforce Housing Study by the Clark Group and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey, and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism whereby cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interests of the entire Peninsula region.*

**Response: The Recommendation Requires Further Analysis Over the Next Six (6) Months-** The City has contributed the expertise of staff to work with other jurisdictions and FORA to plan funding, financing, and innovative design for new workforce housing projects. The City has embraced the concept of workforce housing. As noted in the foregoing analysis, the City has over the years, and still is, aggressively pursuing opportunities to develop affordable housing models for its workforce. The City actively participates in regional affordable housing efforts and with FORA to establish a Countywide Community Housing Trust and also a possible Land Trust this year. We do not feel that these Trusts rely on revenue sharing between cities to be successful. But, we do feel that formation of these Trusts and use of appropriate programs and tools available to these Trusts could be the best solution at this time to address the regional issue of affordable housing now and in the future.



# City of Monterey Affordable Housing Unit Inventory

## Low Income and Moderate Income Projects

Date Revised 02/18/04

Bh

Project	Address	Low	Mod	Agmt Date	Inclusionary Units		Developer Units		City Units		Non-Profit Units	
					Owner	Rental	Owner	Rental	Owner	Rental	Owner	Rental
1	Apartment Projects - 16		X	1981 to Date		88						
2	Casanova Ave (HACM)*	X		1972								86
3	Portola Vista (HACM)*	X		1983								64
4	Yerba Buena Townhouses		X	1983	13							
5	Montecito Ave (HACM)*	X		1985								5
6	Watson St (HACM)*	X		1985								8
7	English Ave Townhouses		X	1986	19							
8	606 Pearl (INTERIM)^s	X		1987								8
9	Oak Grove (HACM)*	X		1989								5
10	El Estero (CHISPA) ^	X		1990								26
11	604 Pearl (INTERIM) ^s	X		1992								3
12	608 Pearl (beds) (INTERIM)^s	X		1992								6
13	! Ocean Harbor Condos		X	1993	22							
14	! Villa Rose		X	1993	2							
15	! Estrella Apartments ^	X		1994						8		
16	! Laguna Grande	X	X	1994					19			
17	Franklin St (INTERIM) ^s	X		1995								6
18	! 1098 5th Street	X		1995	1							
19	Dela Vina (INTERIM) ^s	X		1996								14
	! 450 Madison St	X		1996						1		
21	! C-21 Osio Plaza	X	X	1999						29		
22	! Centennial Gardens ~	X	X	2001		6						
23	! 108 McNear		X	2002		1						
24	! Cypress Meadows ^ ~ >	X	X	future		12						
25	! Monterey Hotel Apartments >	X	X	future		18						
26	! Outzen - Wave Project >	X	X	2002				21				
27	! Outzen Del Monte & Sloat >	X	X	2002		3						
28	! Cannery Row Co - Dream Site >	X	X	2002		3						
29	! Davi - Casa Verde ?	X	X	future			?					
30	! Ocean View Plaza ?	X	X	future	?							
31	! Duc Project @ Ryan Ranch ?\$	X	X	future	23		37					
32	w/ City-Owned Ryan Ranch?\$	X	X	future					180	60		
33	w/ Van Buren Street	X	X	future					13	10		
34	?= Aguajito Road "?"	X	X	future			10					
				<b>TOTALS</b>								
	TOTAL DEVELOPED			440	57	95			19	38		231
	Total Approved/Pending Construction			57		36		21				
	Being Processed for Consideration			323	23		37		193	70		
	( )GRAND TOTAL			820	80	131	37	21	212	108		231

\*HACM = Housing Authority of the County of Monterey

! = Controlled via Deed Restriction

^ = Also Available to Very-Low Income Households

~ = Affordable Basic Care Units

> = Approved; Construction Pending

? = Being Processed for Consideration, "?" not in Totals

( ) = Grand Totals Do Not Include All Projects Being Processed for Consideration

\$ = Includes "Below Market Rate Units"

S = Special Needs Housing

W = Needs Water Supply For Feasibility

Sub Category Totals	
Ownership Built	76
Pending	250
Rental Built	364
Pending	127
<b>Total</b>	<b>820</b>



# CITY OF DEL REY OAKS

650 CANYON DEL REY RD. • DEL REY OAKS, CALIFORNIA 93940  
PHONE (831) 394-8511 • FAX (831) 394-6421

OFFICE OF The Mayor

March 24, 2004

The Honorable Judge Terrance Duncan  
Presiding Judge of the Superior Court  
County of Monterey  
P.O. Box 414  
Salinas, CA 93902

**Re: Responses to the Finding and Recommendations of the 2003  
Monterey County Grand Jury Report**

Dear Honorable Judge Terrance:

The Del Rey Oaks City Council at their meeting of March 23, 2004 reviewed and accepted the city's prepared responses to the finding and recommendations of the 2003 Monterey County Civil Grand Jury Report on ***Police Services in Monterey County & Affordable Housing on the Monterey Peninsula***:

**RESPONSE TO RECOMMENDATIONS**  
**Police Services In Monterey County**

**RECOMMENDATION #1:**

**The Grand Jury recommends the various police jurisdictions throughout Monterey County adopt a similar statistical chart for review of public safety services.**

**RESPONSE #1:**

The City of Del Rey Oaks uses similar statistical charts to review the public safety services provided to the citizens of Del Rey Oaks. Each month the City Council is provided with statistical data on police and fire responses in the City for the previous month. Additionally, the City Council receives similar comparison charts each year during the review and adoption of the budget that compares salaries, service levels, and crime statistics.

The citizens of Del Rey Oaks passed a Public Safety Parcel Tax on March 2, 2004 by 71% so that their public safety serviced will not be decreased by the massive deficits faced at the State and County levels.



**RECOMMENDATION #2:**

**The Grand Jury recommends that the councils of the various incorporated cities review the statistical data charts produced by their respective police departments (see Recommendation 1) in assessing the city's budget.**

**RESPONSE #2:**

The Del Rey Oaks City Council has and does review statistical data charts produced by the Del Rey Oaks Police Department.

A suggestion would be to create a mechanism through the Monterey County Chief's Association to create a standardized format / charting of this information that would provide a data set that would represent the needs of all of the cities in Monterey County that could be presented to the City Councils of the incorporated cities on an annual basis. Currently, each city has to capture the data individually, which is redundant and time consuming.

**RECOMMENDATION #3:**

**The Grand Jury recommends to each city to organize a task force to establish an affordable housing assistance program. This issue directly effects the recruitment and retention of police officers in every police jurisdiction in the County of Monterey.**

**RESPONSE #3:**

The City of Del Rey Oaks does not have land available for housing. The land that has been annexed into the city from the former Fort Ord is deed restricted as a result of unexploded ordinance (UXO) which will not allow housing to be built on the site. Housing stock in the City of Del Rey Oaks is extremely limited. AMBAG, after lengthy discussions and study has forecasted that 23 new housing units were needed in the City of Del Rey Oaks over the next several years to accommodate the states projected requirements for affordable housing.

The City staff and elected officials already participate in AMBAG, and have representatives on both the FORA administrative committee and FORA board who are participating in discussions on the need for affordable housing on the Monterey Peninsula.

**RECOMMENDATION #4:**

**The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.**

**RESPONSE #4:**

The City of Del Rey Oaks is receptive to this idea, and would commit to participating in an annual review of law enforcement staffing levels.

**RESPONSE TO FINDINGS**  
**Affordable Housing On The Monterey Peninsula**

**FINDING #1:**

**The lack of affordable housing is among the most serious problems facing Monterey County and the Monterey Peninsula in particular.**

**RESPONSE #1:**

The City agrees that the lack of affordable housing is one of the most serious problems on the Peninsula. The lack of water is as serious a problem as it prevents development of new housing to correct this shortage of housing problem. High fees and cost of construction also contribute to the high cost of housing development.

**FINDING #2:**

**Political, economic, social and environmental consideration often interfere with the achievement of reasonable affordable housing goals.**

**RESPONSE #2:**

While these considerations at times may interfere with the production of affordable housing, the same considerations are in play in achieving any and all types and categories of housing.

**FINDING #3:**

**Affordable housing/home ownership is critical to the economic and social health of Monterey County.**

**RESPONSE #3:**

The City can concur with this finding; equally critical is the lack of water, high fees and lack of land.

**FINDING #4:**

**The amount of revenue cities receive from residential and commercial real estate is a critical consideration in their decision-making process in supporting increased levels of affordable/workforce housing. Without some formula for revenue sharing, those cities with land available for development) e.g., Seaside and Marina) may be forced to choose market-rate housing and commercial development over increased levels of affordable housing in order to insure that there is sufficient continuing income to provide essential infrastructure and ongoing public services to both old and new development.**



**RESPONSE #4:**

This finding mentions only Seaside and Marina has having land available for the production of affordable housing (presumably referring to former Fort Ord) and does not mention the County or the City of Salinas). Any program to produce affordable housing in the county should not look to just Seaside and/or Marina (both long time historical producers of the vast majority of lower cost housing for the Peninsula). The cost of providing basic city services requires revenue that considers all ranges of housing, commercial and other revenue generating land uses. Establishing a Peninsula wide program for the sharing of revenue to produce affordable housing is a noble idea, but currently lacks the needed legal authority to implement.

**FINDING #5:**

**Affordable housing thresholds in the range 30% to 50% are achievable.**

**RESPONSE #5:**

The assumption that Fort Ord housing could achieve a goal of 50% affordable housing as mentioned in the Clark Report, left out a number of important factors that would be key in developing a true affordable housing program within Fort Ord (The Report centered on single family for sale housing and had little or no information on rental, row or condominium housing as a affordable housing resource. Neither did the report explain how FORA and its land use jurisdictions could reduce their land sale and fee revenue and still meet their legal and fiscal obligations as required by the FORA adopted Reuse Plan and the Plan's accompanying Environmental Impact Report).

**FINDING #6:**

**The trust fund mechanism described in the Clark Group Report could significantly contribute to fostering cooperation between cities with different economic makeup and help make affordable housing available to those increasingly priced out of the marker.**

**RESPONSE #6:**

The City generally agrees that a housing trust fund would be useful program to the future production of affordable sales and rental housing. Such a fund should be financially supported by all the Cities that will apply to the fund for assistance.

**RESPONSE TO RECOMMENDATIONS**

**RECOMMENDATION #1:**

**Each of the Monterey Peninsula cities and the County should continue their individual efforts to meet or exceed the objectives set forth in their**

**current housing element plans to provide their "fair share" of the countywide need for additional affordable housing.**

**RESPONSE #1:**

The City continues to support programs that will help the City meet its fair share of additional affordable housing. The City however has a lack of adequate water, land and revenue. The City has no available water allotment and only three vacant lots available to meet the State goal of providing some 20 units of new housing. While the City will soon take title to some 340 acres of former Fort Ord land the State of California has determined that no residential housing will be allowed to be constructed on the property due to the site's history of containing unexploded ordinance.

**RECOMMENDATION #2:**

**Continue ways to increase affordable housing levels through increasing the percentage of Exclusionary Housing requirements, by creating specialized developer incentives, and by developing funding sources.**

**RESPONSE #2:**

The City has adopted an "auxiliary unit" program aimed at producing below market rental housing. The program is currently at standstill due to lack of water. Additional programs are described in the Draft Housing Elements outlined in the City's Housing Element of its General Plan and in the Redevelopment Program adopted by the City last year. Under the Redevelopment Program (adopted to implement the 340 acres of former Fort Ord), the Redevelopment Agency will set aside 20% of its tax increment revenue for the production and preservation of very low, low and moderate housing programs. The Agency may (as examples) partnership with other land use jurisdictions to produce below market housing, donate to a responsible housing trust program, provide shelter grants for needy persons, provide first time homebuyer assistance and loans to preserve existing housing.

Copies of the City's Housing Element and the Redevelopment Agency Housing Programs are available upon request.

**RECOMMENDATION #3:**

**In recognition of the regional nature of the problem, a mechanism must be established to spread the economic costs of developing additional affordable housing in those areas where land for such development is available. If cities with growth opportunity are to choose affordable housing over other options that would provide them with greater revenue streams, they must be compensated by the shifting of funds from other areas.**



**RESPONSE #3:**

The City supports this recommendation.

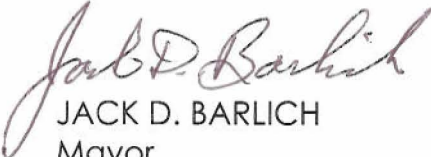
**RECOMMENDATION #4:**

Review the recommendations from the Fort Ord Reuse Affordable Workforce Housing Study by The Clark Group and aggressively pursue the sources of funding in the recommendations. For example, a regional housing or community trust fund could provide a significant opportunity for such communities as Carmel, Monterey and Pacific Grove to contribute meaningfully to finding a solution to high priced housing on the Peninsula. Community trusts would provide a mechanism where by cities with land for development and those without would have a way to cooperate on an ongoing basis to achieve goals that all agree are in the interest of the entire Peninsula region.

**RESPONSE #4:**

The City supports the comment that a community trust fund would be a beneficial tool to have available. While the Clark Report was useful in explaining the benefits of a trust fund to the general public, the program was proposed by local communities and FORA prior to the Clark Report.

Sincerely,



JACK D. BARLICH  
Mayor



# KING CITY POLICE DEPARTMENT

Jim Copsey, Chief of Police

King City Police  
415 Bassett St.  
King City, CA 93930

Phone (831) 385-4848  
Fax (831) 385-4927  
pdchief@kingcity.com

March 25, 2004

Grand Jury  
County of Monterey  
P.O. Box 414  
Salinas, CA 93902

## Monterey County 2003 Grand Jury:

On March 23, 2004, the City Council approved the following responses to the *recommendations* of the Monterey County 2003 Grand Jury investigation.

### 1. Response to Findings: Respondent agrees with the finding.

*The recommendation has been implemented as noted.*

The King City Police Department has agreed to adopt the FBI statistical information as one of the tools for reviewing staffing needs. In addition, each year the King City Police Department looks at all State and local crime statistics in order to make the best judgment possible to ensure the Cities staffing needs are met. The King City Police Department realizes that police officer salary directly effects hiring and retention, however, due to current fiscal constraints the City will not be taking any action at this time but will consider future salary increases when feasible and if appropriate.

### 2. Response to Findings: Respondent agrees with the finding.

*The recommendation has been implemented as noted.*

The City Council of King City will make every effort possible to review the statistical data presented to them by the Police Department in order to assess the Police Department's needs during the budget process. The City of King realizes there are fiscal constraints being placed on the City and have made a commitment to ensure that all decisions are made in a fiscally responsible manner when determining the Police Department staffing needs.

### 3. Response to Findings: Respondent agrees with the finding.

*The recommendation will not be implemented due to fiscal constraints.*

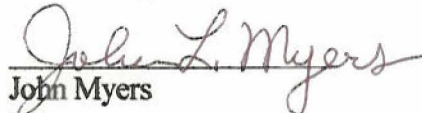
The City of King agrees with and recognizes the importance of establishing an affordable housing assistance program for employees. The City also agrees that an affordable housing program may help with the recruitment and retention of police officers. However with the fiscal constraints as they are today, the City will not be taking any action at this time but will consider such a task force and any potential affordable housing programs if any funds become available.

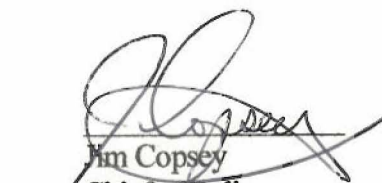


**4. Response to Findings: Respondent agrees with the finding.**  
***The recommendation has been implemented as noted.***

The City of King agrees that is important to annually look at the police staffing levels and to adjust staffing accordingly and as appropriate for our communities needs. The Police Department also agrees to look at staffing as it relates to the specific issues facing King City and not just as a comparative statistical number with other cities in Monterey County. The Police Department feels that each city has unique needs and/or problems that may justify more or less staff to meet those needs and a comparative analysis will not be the only factor used to best determine our needs.

Respectfully submitted:

  
John Myers  
Mayor

  
Jim Copsey  
Chief of Police



**CITY MANAGER**

440 Harcourt Avenue  
Seaside, CA 93955

Telephone (831) 899-6700  
FAX (831) 899-6227  
TDD (831) 899-6207

March 29, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
County of Monterey  
North Wing, Room 318  
240 Church Street  
Salinas, CA 93901

Subject: Response to Grand Jury Findings

Dear Judge Duncan:

The City of Seaside is pleased to provide the following responses to the 2003 Monterey County Grand Jury Report concerning Police Services in Monterey County.

**RESPONSES TO RECOMMENDATIONS**

- 1. Police jurisdictions throughout Monterey County should adopt a similar statistical chart for review of public safety services.**

*Response: The recommendation has been implemented in part.*

While the City of Seaside generally agrees with the recommendation that statistical data charts are an important element for assessing policing needs, and produces them on an annual basis, they are not all-inclusive. Every community is different and each must determine their public safety needs based on a combination of criteria, which would include statistical data charts.

- 2. City Councils throughout Monterey County should review the statistical data charts produced by their respective police departments in assessing the city budget.**

*Response: The recommendation has been implemented.*

The City of Seaside currently reviews statistical data charts as part of its budget development process. However, as stated above, statistical data charts are an important element for assessing policing need but they are not all-inclusive. Every community is different and each must determine their public safety needs based on a combination of criteria, which would include statistical data.



- 3. Each city organize a task force to establish an affordable housing assistance program to improve police officer recruitment and retention.**

*Response: The recommendation has been implemented in part.*

The City of Seaside recognizes that affordable housing is a serious issue facing law enforcement personnel and as such is one of few cities in the State of California, and currently the only city in the County of Monterey, to offer housing assistance to public safety personnel.

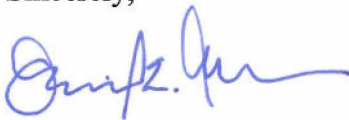
- 4. Each city conduct a review each year for the next five years of comparative police staffing levels.**

*Response: The recommendation has been implemented to the degree that it is under the control of the City of Seaside.*

The City of Seaside regularly reviews the data available from other agencies to evaluate comparative police staffing levels.

If you have any questions regarding the City's response or would like additional information, please contact me at 831-899-6701.

Sincerely,



Daniel E. Keen  
City Manager



## City of Salinas

OFFICE OF THE MAYOR • 200 Lincoln Avenue • Salinas, California 93901 • (831) 758-7201 • Fax (831) 758-7368

March 30, 2004

The Honorable Terrance R. Duncan  
Presiding Judge, Superior Court  
County of Monterey  
240 Church Street  
Salinas, California 93901

Dear Judge Duncan,

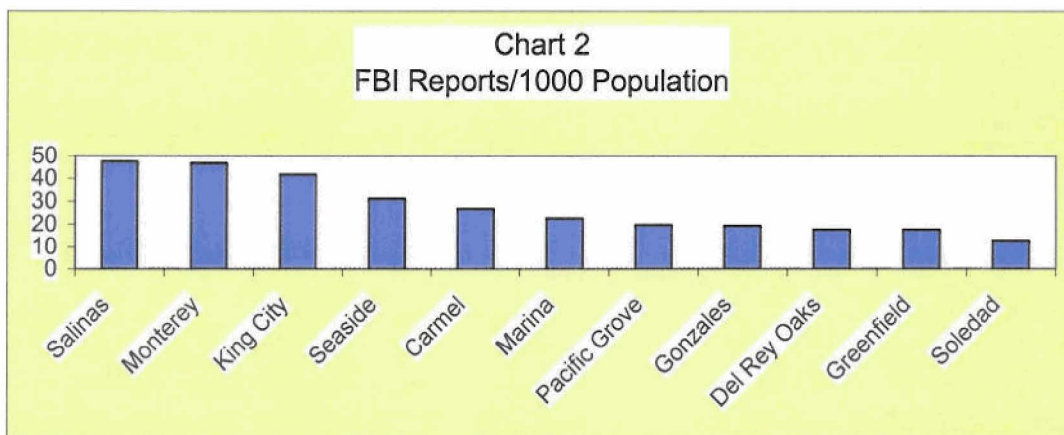
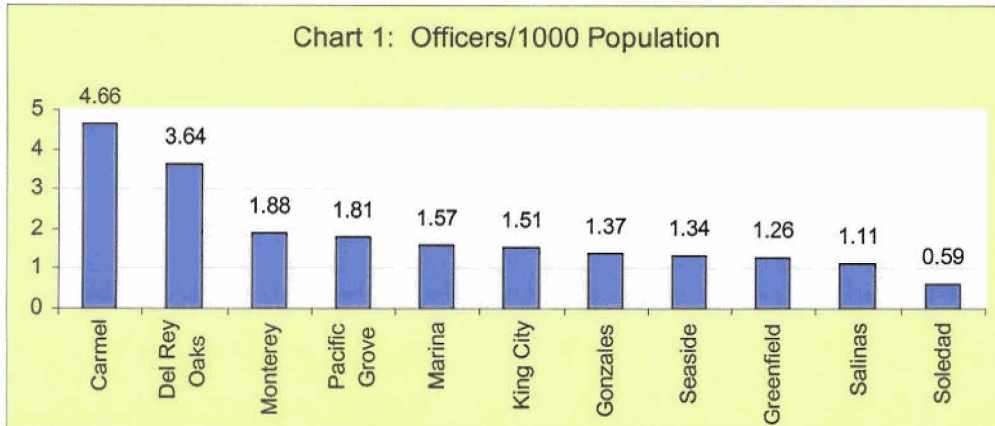
This letter is the City of Salinas' response to the findings of the Monterey County Civil Grand Jury Final Report 2003—Police Services in Monterey County. I would first like to thank each member of the Civil Grand Jury for taking their time to assist us in improving our community's quality of life. The Grand Jury made four recommendations regarding police services that I will address in the following letter.

Violence, and gang violence in particular, continues to plague our City. The Grand Jury accurately reports that "(u)nderstaffing of police departments adversely effects the police services throughout Monterey County." Gang violence is a constant drain on City and Police Department resources. "Spikes" in gang violence, however, create problems beyond the actual crimes themselves. On September 10, 2003, we experienced five shootings, two resulting in deaths, in the span of seven hours. With only twelve swing shift patrol officers on duty, the entire day shift patrol unit was held over for several hours, as was the entire Investigations Division and Vice-Narcotics Unit. Because of the vast resources committed to the shooting scenes, forty-eight 911 calls went unanswered. Of those we were able to respond to, some callers waited up to five and a half hours for an officer to respond. This is but one example of the serious staffing challenges faced by the City of Salinas

*Recommendation 1: The Grand Jury recommends the various police departments adopt a (comparative) statistical chart for review of public safety services.*

On September 16, 2003, Chief of Police Daniel M. Ortega made a presentation to the Salinas City Council. In that presentation, he reviewed the ongoing issues of gang violence and overall impact of the high volume of calls for service being handled by a shift of officers who are relatively few in number. Chief Ortega addressed the staffing levels of our Police Department relative to several others, as did the Grand Jury Report. Below is a graphical representation of the Grand Jury's comparative data chart. Graph 1 has been reformatted to demonstrate the number of officers per 1,000 population, which is the law-enforcement standard basis for comparison (Sand City has been eliminated from the comparison because their population relative to the size of their police department creates a statistical anomaly).





The City of Salinas has the second lowest officers-per-thousand population ratio of the cities in Monterey County. Salinas also has the highest rate of FBI Uniform Crime Report offenses<sup>1</sup> (Graph 2) in the county.

*Recommendation 2: The Grand Jury recommends that the councils of the various incorporated cities review the statistical data charts produced by their respective police departments...in assessing the city's budget.*

In response to the need to provide greater police presence in our community, Council has rescinded recent reductions in the sworn staffing levels and has in fact authorized an additional ten police officer positions effective July 1, 2004, bringing our sworn staffing ratio to 1.21 officers per thousand. Furthermore, Council recognizes the need for even more officers and is committed to attempting to locate the resources to fund Chief Ortega's request for ten additional officers per year for the next three years.

<sup>1</sup> The Uniform Crime Report (UCR) is compiled annually by the FBI. The FBI collects data from more than 17,000 law enforcement agencies regarding the occurrences of eight major crimes: murder, forcible rape, robbery, aggravated assault, burglary, theft, motor vehicle theft and arson. Reports of increasing or decreasing crime rates are typically in reference to changes in UCR reportable crimes.

*Recommendation 3: The Grand Jury recommends to each city to organize a task force to establish an affordable housing assistance program.*

The high cost of living is an oft-cited reason that potential officers choose to work elsewhere, and why veteran officers move away to more affordable jurisdictions. In 2001, Council authorized a first-time homebuyer's program for police officers as a recruitment and retention tool. In short, the program provides a \$50,000 loan for a down payment on a home in Salinas to first-time Monterey County homebuyers. The officer who receives the loan would commit to paying interest only on the principal and, after ten years of service to the City, the principal would be forgiven.

Unfortunately, this program was cut as part of necessary citywide budget reductions. Council intends to re-establish the home loan program for officers as soon as it becomes economically viable.

*Recommendation 4: The 2003 Grand Jury recommends that this be the first of five annual reviews of comparative police staffing levels for each of the cities in Monterey County.*

Chief Ortega's staff conducts periodic and ongoing reviews of relative staffing levels as well as staffing levels in relation to population, resource allocation, budgetary concerns and other issues that affect the quality, timeliness and effectiveness of law enforcement service delivery to our community. This information is agendized and shared with the Salinas City Council on a regular basis.

Thank you for the opportunity to respond to the Civil Grand Jury's report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anna M. Caballero", with a long, sweeping horizontal stroke extending to the right.

Anna M. Caballero  
Mayor  
City of Salinas





May 4, 2004

Honorable Terrance Duncan  
Presiding Judge of the Superior Court of Monterey County  
1200 Aguajito Road  
Monterey, CA. 93940

Dear Judge Duncan,

In accordance with Sections 933 (c) and 933.05 of the California Penal Code, the City of Soledad is responding to the relevant findings and recommendations #1 through #4 offered by the Monterey County Civil Grand Jury. The responses are outlined below:

1. Like most municipalities, the City of Soledad places a priority on public safety and would cooperate with any governmental effort to develop general guidelines recommending staffing levels for law enforcement. However, the information provided in the recent Grand Jury report did not appear completely accurate with regards to the number of officers authorized and the population of the City of Soledad. The chart represented that the Soledad Police Department maintains thirteen sworn positions when in actuality, seventeen police officers, plus one investigator position funded by grant monies has been authorized. And it appeared that the population of the inmates at Salinas Valley Prison and Soledad's California Training Facility (11,000) was included in the population estimates, even though these individuals are policed by more than 2,000 Correctional Officers.
2. Over the past several years the Soledad City Council has consistently approved requests for improvements and additions to police staffing. Recommendations for these additions are almost always made by the Police Chief and based on the review and evaluation of statistical information related to criminal activity, crime trends and population growth. It is assumed that the Police Chief will evaluate, as part of his strategic plan, the resources available to the police department and to make recommendations to the City Manager for the proper increases.
3. Recruitment and retention of qualified personnel is vital to the success of all law enforcement organizations, and certainly affordable housing is an important factor when candidates make their decision whether to apply in a particular community. The City of Soledad has provided city employees, to include police officers, with means by which to obtain affordable housing through two home loan assistance programs. The first is the City of Soledad Community Development Block Grant First-Time Home Buyer Down-Payment Assistance Program (CDBG). This program offers discounted loan rates on down-payments for first-time home buyers. To date, although police officers employed by the City of Soledad qualified for this program, none took advantage of it. In addition, the City of Soledad coordinated the Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) to set aside five newly constructed homes

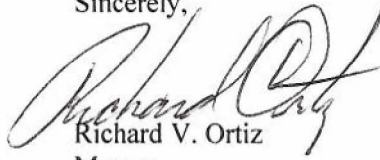


for city employees who were qualified for discounted loan rates and fees. Again, of the officers qualified to take advantage of the program, none applied.

4. The City of Soledad would welcome annual reviews of police staffing level.

If you have any questions or need additional information, please contact Chief of Police Richard A. Cox at (831)678-1332 extension 142.

Sincerely,



Richard V. Ortiz  
Mayor



# MONTEREY COUNTY



## THE BOARD OF SUPERVISORS

**FERNANDO ARMENTA, Chair**  
60 West Market Street, Suite 110  
Salinas, California 93901

Phone: (831) 755-5011  
(831) 647-7991  
e-mail: district1@co.monterey.ca.us

**LOUIS R. CALCAGNO, Vice Chair**  
10681 McDougall  
Castroville, California 95012

Phone: (831) 755-5022  
(831) 647-7722  
(831) 724-8228 EXT. 5022  
e-mail: district2@co.monterey.ca.us

**W.B. "BUTCH" LINDLEY**  
522 C Broadway  
King City, California 93930

Phone: (831) 755-5033  
(831) 385-8333  
(831) 647-7733  
e-mail: district3@co.monterey.ca.us

**EDITH JOHNSEN**  
2616 1<sup>st</sup> Avenue  
Marina, CA 93933

Phone: (831) 883-7570  
(831) 755-5044  
e-mail: district4@co.monterey.ca.us

**DAVE POTTER**  
1200 Aguajito Road, Suite 001  
Monterey, California 93940

Phone: (831) 647-7755  
(831) 755-5055  
e-mail: district5@co.monterey.ca.us

March 30, 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
North Wing, Room 318, 240 Church Street  
Salinas, CA 93901

Dear Judge Duncan:

Attached is the response of our governing body, the Monterey County Board of Supervisors, to the findings and recommendations in the Monterey County Civil Grand Jury's 2003 Final Report dated January 2, 2004 as required by Sections 933 and 933.05 of the California Penal Code.

This response pertains to the findings and recommendations in Section 12, Workforce Investment Board. All other items that required response were addressed in the response dated February 24, 2004.

The Monterey County Board of Supervisors approved the attached response on March 30, 2004.

Sincerely,

Louis Calcagno  
Chair, Monterey County Board of Supervisors

LC/ad

Attachment: Response to Findings & Recommendations

## MONTEREY COUNTY BOARD OF SUPERVISORS

<b>MEETING:</b>	<b>March 30, 2004</b>	<b>AGENDA NO.:</b>
<b>SUBJECT:</b>	Approve the proposed response to the 2003 Monterey County Grand Jury Final Report (filed January 2, 2004) related to the Workforce Investment Board and authorize staff of the County Administrative Office to file approved final response with the presiding judge of the Superior Court of California on or before April 1, 2004.	
<b>DEPARTMENT:</b>	Department of Social and Employment Services	

### RECOMMENDATION

It is recommended that the Board of Supervisors approve the proposed response to the 2003 Monterey County Grand Jury Final Report related to the Workforce Investment Board (WIB) and authorize staff of the County Administrative Office to file the approved final response with the Presiding Judge of the Superior Court of California, County of Monterey, on or before April 1, 2004.

### SUMMARY

The 2003 Grand Jury filed its annual report on January 2, 2004. By law, the Board of Supervisors has 90 days to file a response to findings and recommendations contained in the report.

### DISCUSSION

The proposed response addresses each specific finding and recommendation related to the WIB. Due to the bi-monthly schedule of WIB meetings, it was not possible for this response to be agendaized at a regular meeting. However, at its February 3, 2004 meeting the full WIB authorized its Executive Committee, which meets monthly, to review and comment on the County's proposed response. The WIB Executive Committee reviewed and endorsed this proposed response at its March 22, 2004 meeting, with one exception as described below.

At the March 22<sup>nd</sup> Executive Committee consideration of bylaw amendments was continued so to allow to review recent County Counsel comments on the draft bylaws. As a result of this continuation, the response to the Grand Jury recommendation for bylaw modifications (recommendation #5) had to be edited to recognize the continuation and change the anticipated timeframe for bylaw amendments from April 2004 to June 2004.

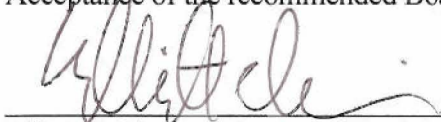
While this proposed response is intended to reflect the policy of your Board, the report will not reflect actual Board policy until it has been reviewed, modified, and adopted during public session. The final response of your Board will be deemed and accepted by the Grand Jury as the response of the Monterey County Administrative Office and the Department of Social and Employment Services.

### OTHER AGENCY INVOLVEMENT

The Department of Social and Employment Services prepared the proposed response to the 2003 Grand Jury Report and presented it the WIB Executive Committee at their March 22, 2004 meeting. The WIB Executive Committee unanimously endorsed the proposed response.

### FINANCING

Acceptance of the recommended Board response will have no direct financial impact on the General Fund.



Elliott Robinson, Director of Social and Employment Services  
March 23, 2004

### Attachments

Report Prepared by: Elliott Robinson, Director of Social and Employment Services



**Before the Board of Supervisors in and for the  
County of Monterey, State of California**

Approve the proposed response to the 2003 )  
Monterey County Grand Jury Final Report )  
(filed January 2, 2004) related to the )  
Workforce Investment Board and authorize )  
staff of the County Administrative Office to )  
file approved final response with the presiding )  
judge of the Superior Court of California on or )  
before April 1, 2004. ....

Upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and  
carried by those members present, the Board hereby approves the proposed response to the 2003  
Monterey County Grand Jury Final Report related to the Workforce Investment Board and authorizes  
staff of the County Administrative Office to file the approved response with the Presiding Judge of the  
Superior Court of California on or before April 1, 2004.

PASSED AND ADOPTED on this 30th day of March 2004, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

I, Sally R. Reed, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the  
foregoing is a true copy of an original order of said Board Supervisors duly made and entered in the minutes thereof at page  
\_\_\_\_ of Minute Book \_\_\_\_\_, on \_\_\_\_\_.

SALLY R. REED, Clerk of the Board of Supervisors  
County of Monterey, State of California.

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Deputy

**RESPONSE**  
**MONTEREY COUNTY CIVIL GRAND JURY 2003 FINAL REPORT**  
**WORKFORCE INVESTMENT BOARD**

**RESPONSES TO FINDINGS**

**FINDING #1:** The present Grand Jury confirmed the previous (2002 Grand Jury) findings that a conflict existed as a result of common management (the same person was concurrently Executive Director of both the WIB and OET, and this prevented effective independence between the two organizations).

**RESPONSE:** *Partially disagree.* As stated in the response to the 2002 Grand Jury Report, the County and the WIB acknowledge that the Executive Director was responsible for staffing the WIB, managing the Office for Employment Training (OET) and supervising fiscal and management information systems for OET. Under the Act and its regulations, this is an allowable construct of job duties for the Executive Director position. To this end, Section 117 (f) 2 of the Workforce Investment Act (WIA) states:

**Core services; intensive services; designation or certification as one-stop operators.**--A local board may provide core services described in section 134(d)(2) or intensive services described in section 134(d)(3) through a one-stop delivery system described in section 134(c) or be designated or certified as a onestop operator only with the agreement of the chief elected official and the Governor.

Consistent with this section of the WIA, the Board of Supervisors in their role as chief elected official and the Governor approved Monterey County's Five Year Strategic plan, which outlined the organization of the Monterey County WIB and OET. The Executive Director had an approved job description detailing the job responsibilities that were consistent with the Five Year Plan. However, in reviewing the concerns of the Grand Jury, the County divided the responsibilities of WIB staffing from program operations. In March 2003, the County Administrator's Office issued a management letter defining the two new divisions and the responsibilities of the WIB Executive Director and the Deputy Director for OET. Additional work needs to be completed to formalize the job duties and positions associated with this reorganization.

**FINDING #2:** Competitive bidding for the RFPs, as specified in the WIA regulations, is discouraged by the awarding of job training/education/ OJT contracts to favored private organizations.

**RESPONSE:** *Wholly disagree.* The finding that competitive bidding is discouraged is not consistent with the facts. The Monterey County program year 2003 RFP process was both thorough and inclusive. The Youth and Adult RFPs were reconstructed from the prior funding cycle to more clearly identify the employment and training needs of Monterey County businesses and job seekers. In developing the new RFP format WIB Analyst Staff consulted with multiple Local Workforce Investment Areas (LWIA) and reviewed many different RFP models to build on best practices from around the State. Members of the WIB Planning Committee and Youth Council convened to review proposals and recommend elements prior to adoption by the WIB. County Counsel and the General Services Department were directly involved in all RFP solicitations to assure proper form and legality.



A notice of fund availability was sent to 161 local, statewide, and national vendors. The RFP was available on the WIB website and in electronic and paper form at the front desk of the Salinas One Stop. Public notice was placed in El Sol, the Californian, the Monterey Herald, the Register Pajaronian, the Santa Cruz Sentinel, and the Hollister Freelance newspapers. Public hearings and two bidder's conferences were held explaining the RFPs. The terms and conditions for funding successful proposals were discussed openly and are recorded in the minutes of thirteen of the twenty WIB and subcommittee meetings held between January and June 2003. The schedule of RFP activities and final funding decisions were discussed in public WIB meetings. WIB staff was responsive to members of the public by amending the timeline for the submission of proposals and presentations to the WIB and the BOS. The process was very open and competition was encouraged.

It should be noted that the RFP included criteria to weight providers with greater experience more heavily. This may have led to the finding, however the weighting criteria was based on a review of best practices from other jurisdictions and was included so as to allow broader participation in the RFP while still recognizing the value of demonstrated ability. Weighting criteria provided for 20% of the available points based on demonstrated ability. Providers with 10 or more years of documented successful experience could receive the maximum of the 20% of points allocated for ability; those with less experience would receive less than the 20% maximum. This was a change made to encourage more competition, prior RFPs simply excluded providers with less than 2 years of documented successful experience in workforce development service to disadvantaged adults. By opening the field to any potential provider who has had experience with managing government grants/contracts of \$250,000 or more within the prior 4 years it was the intent of the WIB to promote better competition.

**FINDING #3:** WIB Board members are reluctant to remain because they are not provided with information essential to carry out their responsibilities. For example, funding information necessary to make objective decisions has not been provided to Directors in a timely or effective fashion, and Board members have not been encouraged effectively to participate in the creation of WIB agendas.

**RESPONSE:** *Wholly disagree.* Although the WIB staff agrees that there has been a turnover of private sector members on the WIB, it must be noted that this is a common dilemma throughout the State of California. The Act requires top leaders from businesses, labor, education, and employment services to be nominated and participate as WIB members. WIB members dedicate themselves to a significant time commitment. WIB members must become versed in a breadth of issues encompassed by workforce development policy and local labor market conditions. The challenging state of our economy and public sector funding along with the high level of commitment demanded from community leaders who are members of the WIB are the key issues that drive membership and participation. In reviewing letters of resignation, and comments made to the full WIB, there has never been a circumstance where a WIB member resigned as a result of lack of information. In most cases, resignations occurred as a result of reassignment, change in position, business closure, or difficulty with the time commitment especially for private sector representatives.

**FINDING #4:** In the final quarter of calendar 2002, expenditures reported by the OET reflect the following allocations: 60-65% of the expended funds went to staff and overhead, while only 35-40% of the funds went to program participants.



**RESPONSE:** *Agree.* This constitutes a very high rate of return for the customers of the Monterey County One Stop Career Center system. The 40% of funds that went directly to benefit participants include tuition reimbursement for approved vocational classes of up to \$5,000 per person, as well as \$2,000 for supportive services such as transportation, childcare, tools, etc. It also includes payments of wages to participants enrolled in work experience. During the quarter examined by the Grand Jury, enrollment levels into training were quite high. This would cause the accelerated amount of expenditures in the area of participant costs examined by the Grand Jury.

In addition to the 35%-40% participant expenditures, staff salaries are also core components of the training program. Staff is responsible for outreach and recruitment efforts. They determine eligibility and conduct workshops so that participants (youth and adults) feel confident during the job search and interview process. They assess participants to support referral to vocational programs or other substance abuse treatment or mental health services when necessary. Additionally, staff works with the business community to develop jobs.

Funds used for staffing the One Stop Career Centers should not be confused with administrative costs. OET keeps administrative costs, which are a subset of costs for staff and overhead, to less than 10% as required under WIA.

**FINDING #5:** **The most recent revision of the WIB bylaws continues to allow the Executive Director to control the WIB agenda and committee assignments.**

**RESPONSE:** *Wholly disagree.* The WIB bylaws were developed in strategic planning sessions with a majority of the WIB members, approved by the full WIB, reviewed by County Counsel and approved by the Board of Supervisors (BOS). The WIB bylaws have never allowed the Executive Director to unilaterally control the WIB agenda and committee assignments. The current bylaws reference the development of agendas by stating "Chairs of the LWIB Committees in consultation with the Executive Director shall have the responsibility of preparing the agenda for committee meetings."

Revisions to the bylaws currently being drafted more clearly define the staff responsibilities associated with agenda preparation. They state:

*Article V.4 - The Executive Director shall have the responsibility of preparing the WIB agenda for review and approval by the Chairperson prior to WIB meetings.*

*Article V.6 - The Executive Director shall have the responsibility of preparing the agenda for Committee meetings for approval by the Chairperson prior to Committee meetings.*

*Article VI.1- Regular meetings of the WIB will be held on the first Tuesday of every other month. The WIB meeting agenda must be approved by the WIB Chair, in writing, and the agenda must note such endorsement. A WIB Chair approved agenda must be delivered to each WIB member no later than 72 hours prior to the regular meeting.*

The role of Committee Chairs in establishing agendas has been clear. Standard operating policy between WIB staff and the Chairs is to have a joint discussion to review all pertinent items. The Chairs determine if an item submitted by members of the WIB or the public should be agendized. The draft agenda is modified by the Chairs when they deem appropriate. Staff completes the agenda as directed by the Chairs, forward it



to the Chairs for final review and the Chairs initial the agenda or forward an email signaling concurrence with the agenda and directing distribution. This has been a long-standing policy of the WIB; it precedes this Grand Jury report. Copies of the agendas with signatures and emails are available.

**FINDING #6:** The OET budget requests and program direction continue to be controlled by the Executive Director of the WIB.

**RESPONSE:** *Wholly disagree.* In a management letter authored by County Administrative Office (CAO) staff in March of 2003, it was clarified that there is no direct reporting relationship between the managers of OET and the WIB. Both positions report to the Director of the Department of Social and Employment Services (DSES) as managers of two separate, but related divisions within DSES. As an independent division of DSES, OET prepares budget requests and seeks program direction from the Director of DSES.

However, the relationship between OET and WIB is complex. It is important to note both divisions' roles.

- OET serves as a preferred provider of program services for adults and youth in the One Stop Career Center System and prepares management information systems and fiscal reports for local, State and Federal oversight.
- The WIB is responsible for broad strategic policy development and oversight of the One Stop Career Center System. Under WIA, it is required that the WIB reviews and approves the local area's WIA Title I annual plans, budget and performance objectives. These actions are subsequently forwarded to the BOS for consideration and approval before being sent to the State of California. As part of this role the WIB develops MOUs with all One Stop partners and monitors the performance of WIA Title I funded sub-recipients, including OET.

As can be seen, compliance with WIA necessitates a relationship where the WIB, as an appointed advisory board, has oversight of OET activities. This is also an important function of the separation that was implemented in response to the 2002 Grand Jury report to prevent conflict.

## **RESPONSES TO RECOMMENDATIONS**

**RECOMMENDATION #1:** The Board of Supervisors should require the CAO to evaluate for the BOS and report promptly on the current effectiveness of implementation of corrective actions reported in response to the 2002 Grand Jury findings and recommendations relating to WIB and OET.

**RESPONSE:** *The recommendation will be partially implemented by September 30, 2004.* DSES, in partnership with the CAO, will prepare a report to the BOS formalizing the DSES organizational chart as well as the job titles, descriptions and classifications for leadership positions (Director of DSES, the Deputy Director of OET and the WIB Executive Director) by May 31, 2004. Classification reviews are currently being completed.

Bylaws are still being considered and are being redrafted with input from County Counsel. It is expected that new Bylaws will be adopted by the WIB in June for presentation to the BOS in the same timeframe.

An evaluation of corrective actions will be prepared for presentation to the BOS by September 30, 2004. This assessment will evaluate the effectiveness of changes made in response to the 2002 Grand Jury findings and recommendations and the reorganization of WIB and OET into DSES that occurred late in July 2003. This timeframe will give the Director of DSES and the WIB Board an opportunity to review one year of operations after reorganization into DSES.

**RECOMMENDATION #2:** The Director of Social and Employment Services should review and follow the WIA regulations on the bidding process for vendors.

**RESPONSE:** *The recommendation has been implemented.* The Director of DSES is responsible for ensuring WIB RFPs meet County, State and Federal requirements and has reviewed WIA regulations with regard to bidding. Future RFP policy will continue to be established by the WIB in coordination with County policy and implemented by WIB staff in consultation with County Counsel and General Services.

**RECOMMENDATION #3:** Given the ratio of spending on resources and staff to the number of clients served, the Director of Social and Employment Services should review the necessity for outsourcing services to private organizations.

**RESPONSE:** *The recommendation will be implemented no later than September 30, 2004.* Through the development and implementation of strategic policies the WIB is responsible for evaluating and determining if a solicitation for services is in the best interest of the business and job seeker communities. This is a required public process and not at the sole discretion of the Director of DSES. However, the Director of DSES is engaged in this ongoing analysis with the WIB and regularly reviews levels of service and performance of both OET and subcontractors. It is anticipated that a decision regarding the expenditure of WIA funds for subcontracted services will be completed no later than September 30, 2004.

**RECOMMENDATION #4:** The Board of Supervisors and the Director of Social and Employment Services should review and monitor spending ratios to conform with the standards established in the WIA regulations.

**RESPONSE:** *The recommendation has been implemented.* OET and WIB spending ratios conform to WIA regulatory requirements. The regulations identify a percentage of spending for administrative costs and out-of-school youth services.

- Administration is limited to a maximum of 10% for categorically formula funded programs.
- At least 30% of the categorical youth funds must be spent on out-of-school youth. Reports are submitted to the WIB in these areas on a bi-monthly basis.

The Director of DSES regularly reviews financial reports related to program expenditures, deviations from WIA standards that cannot be addressed through existing WIB policy will be brought to the attention of the WIB and BOS for policy changes. The BOS has and will continue to approve yearly planned expenditure rates and performance outcomes.



**RECOMMENDATION #5:** The Monterey County WIB bylaws should be reviewed and modified by the Director of Social and Employment Services with a view to empowering the WIB Chair to independently nominate new members to the Board.

**RESPONSE:** *The recommendation will be implemented by June 30, 2004.* Bylaw revisions are proposed and developed by the WIB through a public process. Revisions adopted by the WIB are considered by the BOS prior to final approval. These revisions are not at the sole discretion of the Director of DSES. However, the Director of DSES participates in both the WIB and the BOS processes and concurs with the perspective of empowering a public nominating process independent of staff control. Proposed Bylaws as currently drafted empower the Executive Committee (chaired by the WIB Chair) to bring forward and consider nominations for presentation to the full WIB and BOS. However, recent opinions brought forward by County Counsel necessitate delaying consideration until the June WIB meeting at the earliest.

**RECOMMENDATION #6:** The WIB Chair should create a nominating committee for the purpose of proposing new candidates for membership and new committee chairs for approval by the WIB Board.

**RESPONSE:** *The recommendation requires further analysis.* Currently it is the desire of the WIB to establish the Executive Committee in the role of a nominating body; however, it is the desire of the Executive Committee and the WIB Chair to permit the WIB Chair to appoint committee Chairs. The full WIB votes on the appointment of its Chair, First Chair and Second Chair. These may or may not be the Chairs of subcommittees.

**RECOMMENDATION #7:** WIB meeting agenda should not be issued until final written approval by the WIB Chair is endorsed on the agenda, and each agenda should be presented to the WIB Chair for additions, corrections, deletions and approval not later than 48 hours before publishing the agenda and not later than 72 hours before the commencement of the meeting to which the agenda applies. WIB bylaws should provide that WIB meetings shall be governed by a WIB Chair-approved agenda to be delivered to each WIB member no later than 72 hours before the meeting to which the agenda applies.

**RESPONSE:** *The recommendation has been implemented.* This recommendation is the current procedure adopted by the WIB and staff. The procedure will be continued, as it is a key part of assuring public input and oversight.

**RECOMMENDATION #8:** The Director of OET should submit the agency's budget requests and progress reports directly to the Director of Social and Employment Services.

**RESPONSE:** *No response required.* This recommendation reflects current DSES policy and will be continued.



# Chualar

*Union Elementary school District*

"Home of the Chargers"

24285 Lincoln St.  
Chualar, CA 93925  
District (831) 679-2504  
School (831) 679-2313  
Fax # (831) 679-2071

## ADMINISTRATION

**Superintendent:**  
Dr. Robert Aguilar

**Business Manager:**  
Mrs. Luz Razcón

**Dean, Academics/Instruction:**  
Mr. Antonio Ramirez

## BOARD OF TRUSTEES

Mr. Roger F. Hatch  
President  
Ms. Elida Gonzales  
Clerk  
Mrs. Rosa Manriquez  
Member  
Mr. John Guereque  
Member  
Mrs. Elizabeth F. Ochoa  
Member

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
North Wing, Room 318, 420 Church Street  
Salinas, CA 93901

*Re: Chualar Union Elementary School District Board of Education's  
Response to the 2003 Grand Jury Report, "School Board Training –  
Case Study of a Training Opportunity in the Chualar Union School  
District."*

Dear Judge Duncan:

This letter is in response to the 2003 Monterey County Civil Grand Jury Final Report dated January 2, 2004. The District appreciates the 2003 Civil Grand Jury's ("Grand Jury") hard work and is pleased to have an opportunity to respond to its findings and recommendations regarding the District. We believe that public support and community confidence in the District is advantageous to our operations and recognize that the Grand Jury's efforts and recommendations help to contribute to such goals. Thus, without admitting any wrongdoing or fault, the District respects the findings of the Grand Jury and is undertaking to implement all three of its recommendations for the District.

While we are very proud of our school district and our staff, we acknowledge the Report's findings that the District can benefit from further training on the issue of governance and conflicts of interest. We note that, after investigating the matter, the Grand Jury found an appearance of conflict rather than an actual conflict of interest. However, we are always mindful of the importance of avoiding conflicts or even the appearance of conflict, and embrace the recommendation of the Grand Jury to provide further training in this important area of governance. In fact, the Chualar Union School District School Board ("Board") and I have already attended one such training which focused on eliminating conflicts of interests in contracting – both real and apparent. Attached is a copy of the training materials which were provided at that training.

Furthermore, the Board is in the process of reviewing the efficacy of Board Policy Number 1222(a), as recommended. Additionally, we are instituting a program to encourage attendance of the fine courses offered by the Monterey County Office of Education in School District Management and Finance. The Board will be attending a conference on the subject later this year as well.

Lastly, we do note a factual inaccuracy or ambiguity contained within the report which warrants clarification. On page 60, paragraph 3, the Report states

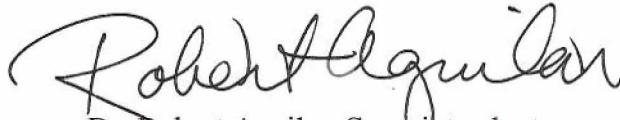


“When the report from that company resulted in a conclusion by the School Board that **no acceptable candidate had been found by the company**, the School Board offered employment, as interim administrator, to an officer of the company which had conducted the search.” [emphasis added] The Report thus implies that the company determined there were no qualified candidates, and the Board simply adopted this finding.

In fact, the Board, after carefully considering data gathered from other sources in addition to that provided by the consulting company, came to this conclusion independently and without any recommendation from that company. The Board created an Advisory Committee to make recommendations regarding the candidates. This Committee consisted of parents from the community, teachers, and other district staff. The Committee independently met with candidates and made independent recommendations to the Board. The Committee then presented to the Board its unanimous findings that no candidates were qualified for the position.

Thank you for the opportunity to engage in this dialogue. I hope this response resolves this matter, allowing the District to effectively move forward with the business of teaching our student body in 2004. Should you require any follow up, please do not hesitate to contact Dr. Robert Aguilar, Superintendent, or District counsel Damara Moore of Ruiz & Sperow, LLP, at 510-594-7980.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert Aguilar". The signature is fluid and cursive, with the first name "Robert" and last name "Aguilar" clearly distinguishable.

Dr. Robert Aguilar, Superintendent  
Chualar Union Elementary School District

cc: Roger Hatch, President, Board of Trustees

# CONFLICT OF INTEREST LAW

WHAT EVERY SCHOOL BOARD AND  
SCHOOL BOARD MEMBER SHOULD KNOW

CHUALAR ELEMENTARY SCHOOL DISTRICT

March 10, 2004

**RUIZ & SPEROW, LLP**  
Attorneys at Law

2000 Powell Street, Suite 1655  
Emeryville, CA 94608  
(510) 594-7980  
(510) 594-7988 Facsimile  
<http://www.ruizlaw.com>

Emeryville

San Diego



# CONFLICT OF INTEREST LAW

## WHAT EVERY SCHOOL BOARD AND SCHOOL BOARD MEMBER SHOULD KNOW

The contents of this manual are appropriate as of the date indicated on the cover sheet. Future administrative decisions, regulations, or legislative action could result in significant changes. Moreover, this manual is meant to provide a general overview and is not intended to provide comprehensive legal guidance. The reader is advised to consult legal counsel with specific questions on particular matters.

© 2004 RUIZ & SPEROW, LLP

All rights reserved. The following material may not be reproduced or distributed without express written consent.

## TABLE OF CONTENTS

INTRODUCTION .....	1
I. CONFLICTS OF INTEREST UNDER GOVERNMENT CODE SECTIONS 1090-1098 .....	2
A. DETERMINING THE PRESENCE OF A CONFLICT OF INTEREST UNDER SECTION 1090 .....	2
1. MATERIAL INTERESTS .....	2
2. REMOTE INTERESTS .....	3
B. CONSEQUENCES AND EFFECTS OF A SECTION 1090 VIOLATION .....	6
C. EXCEPTIONS TO THE PROVISIONS OF SECTION 1090 .....	7
1. NON-INTERESTS .....	7
2. DOCTRINE OF NECESSITY: LEGALLY REQUIRED DECISIONS .....	8
II. CONFLICTS OF INTEREST UNDER GOVERNMENT CODE SECTION 87100 ET SEQ., THE POLITICAL REFORM ACT .....	8
A. DETERMINING THE PRESENCE OF A CONFLICT UNDER SECTION 87100 .....	9
1. DIRECT AND INDIRECT INTERESTS .....	10
2. MATERIAL FINANCIAL EFFECT .....	10
B. CONSEQUENCES FOR VIOLATING THE POLITICAL REFORM ACT .....	11
III. INCOMPATIBLE ACTIVITIES AND OFFICES UNDER CALIFORNIA GOVERNMENT CODE SECTIONS 1125-1129 .....	11
CONCLUSION .....	12



## INTRODUCTION

The California Government Code controls conflict of interest law. These three main sections of the Government Code are 1090 *et seq.*, 87100 *et seq.*, and 1125 *et seq.*

Sections 1090 *et seq.* was the original codification of common law conflict of interest doctrine and only applies to contracts made in an official capacity. Later, the Political Reform Act, Sections 87100 *et seq.*, was codified to eliminate conflicts by requiring extensive disclosure and disqualification. Section 87100 is broader than Section 1090; it applies to any decision made in an official capacity. Sections 1125 *et seq.* govern incompatible offices and activities, codifying common law and expanding the doctrine to include further conflicts.

These areas of California law interact in complex ways, often requiring fact-specific analysis. Therefore, we recommended that a school board member or a board with a conflict of interest question seek the advice of counsel.

This manual will explain these three areas of law and discuss how to avoid creating a conflict of interest. The discussion is divided into three sections: Section I addresses conflicts of interest under Government Code Sections 1090-1097; Section II discusses conflicts of interest under the Political Reform Act; and Section III explains incompatible activities and offices under Sections 1125-1129.

## **I. Conflicts of Interest Under Government Code Sections 1090-1098**

California Government Code Section 1090 provides that public officials "shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members."<sup>1</sup> The California Education Code expressly extends this provision to school board members.<sup>2</sup> If a school board member's personal interest may compromise his or her loyalty to the public, then a conflict of interest exists. In order to protect individual board members and the board as a whole from consequences, conflicts of interest must be well understood, identified, and handled properly from the onset.

California Government Code sections 1090-98 are designed to protect the public at large from corruption, inappropriate financial gain, and the improper use of public money. The purpose of these laws is to remove or limit the possibility of any personal influence, either directly or indirectly, which might bear on an official's decision regarding any contract.<sup>3</sup> The goal is to prevent a situation where a public official would stand to gain or lose something with respect to the making of a contract over which he could exercise some influence in his official capacity.<sup>4</sup>

The legislature sought through this statute to prevent any situation which would interfere with a public official's ability to exercise absolute loyalty and undivided allegiance to the public entity he or she serves, as well as void any contracts actually obtained through fraud or dishonesty.<sup>5</sup> The scope of the statutes is wide, aimed at eliminating temptation, avoiding the appearance of impropriety, and assuring the government of the officer's undivided and uncompromised allegiance.<sup>6</sup> The focus is on avoiding even the *appearance* of impropriety.<sup>7</sup>

The general policy behind these goals is that no person can faithfully serve two masters whose interests are or may be in conflict.<sup>8</sup> The law prevents anyone who acts in a fiduciary capacity to deal with himself or herself in his or her individual capacity.<sup>9</sup>

### **A. Determining the Presence of a Conflict Under Section 1090**

A conflict of interest exists under Section 1090 where any elected public official has a personal interest in any contract made in his or her official capacity.<sup>10</sup> If a board member has a material interest in a contract, the board cannot make the contract with or without the interested member's participation.<sup>11</sup> The abstention of the interested member will not save the contract.<sup>12</sup> Rather, a contract made by a board with an interested member is void as a matter of law, even if it is made without the member's participation.<sup>13</sup> If, however, a member has only a remote interest, the contract may not be void if the board followed proper procedures in the making of the contract.(see discussion below)<sup>14</sup>

#### **1. Material Interests**

An interest is material if it is a personal financial interest in the contract, whether direct or indirect. The definition of the proscribed interest cannot be interpreted in a restricted



and technical manner.<sup>15</sup> A Board Member's interest need not share in the anticipated profits to violate the law.<sup>16</sup> Rather, any interest, other than a remote or non-interest, that might prevent an official from being absolutely loyal to the public he or she serves is prohibited.<sup>17</sup> It is immaterial that the interest is small or indirect, if it interferes with the loyalty the public is owed by a public official.<sup>18</sup>

In *People v. Honig*, State Superintendent Louis ("Bill") Honig was convicted of making contracts in his official capacity in which he had a financial interest.<sup>19</sup> He contracted with school districts for the state to pay the wages of district employees on leave so that they may work at a non-profit corporation. This non-profit corporation paid rent to the defendant and a substantial salary to his wife.<sup>20</sup> The court determined that the financial interest did not need to be direct in order to be material.<sup>21</sup> It was enough that he made a contract in his official capacity that affected his financial interests.<sup>22</sup> Superintendent Honig was convicted and served probation.

## **2. Remote Interests**

Section 1091 enumerates in complicated detail when an interest is remote.<sup>23</sup> When analyzing whether an interest is remote, a member or board should consult the statute in its entirety or seek the advice of an attorney.

Government Code Section 1091 defines a remote interest as:

1. that of an officer or employee of a nonprofit entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 510(c)(3)) or a nonprofit corporation, except as provided in paragraph 8 of subdivision (a) of Section 1091.5;<sup>24</sup>
2. that of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office and the officer owns less than three percent of the shares of stock of the contracting party; and the employee or agent is not an officer or director of the contracting party and did not directly participate in formulating the bid of the contracting party.

For the purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer. Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to

that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other persons holding an interest in the contracting party are regarded as having the "real or ultimate ownership" of the contracting party.

3. that of an employee or agent of the contracting party, if all of the following conditions are met:
  - (A) the agency of which the person is an officer is a local public agency located in a county with a population of less than 4,000,000.
  - (B) the contract is competitively bid and is not for personal services.
  - (C) the employee or agent is not in a primary management capacity with the contracting party, is not an officer or director of the contracting party, and holds no ownership interest in the contracting party.
  - (D) the contracting party has 10 or more other employees.
  - (E) the employee or agent did not directly participate in formulating the bid of the contracting party.
  - (F) the contracting party is the lowest possible bidder.
4. that of a parent in the earnings of his or her minor child for personal services.
5. that of a landlord or tenant of the contracting party.
6. that of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of 10 percent or more in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
7. that of a member of a nonprofit corporation formed under the Food and Agricultural Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.



8. that of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to his or her election or appointment to office.
9. that of a person subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the California Lands Conservation Act of 1965.
10. except as provided in subdivision (b) of Section 1091.5, that of a director of or a person having an ownership interest of 10 percent or more in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor or creditor.
11. that of an engineer, geologist, or architect employed by a consulting engineering or architectural firm. This paragraph applies only to an employee of a consulting firm who does not serve in a primary management capacity, and does not apply to an officer or director of a consulting firm.
12. that of an elected officer otherwise subject to Section 1090, in any housing assistance payment contract entered into pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f) as amended, provided that the housing assistance payment contract was in existence before Section 1090 became applicable to the officer and will be renewed or extended only as to the existing tenant, or, in a jurisdiction in which the rental vacancy rate is less than 5 percent, as to new tenants in a unit previously under a Section 8 contract. This Section applies to any person who became a public official on or after November 1, 1986.
13. that of a person receiving salary, per diem, or reimbursement for expenses from a government entity.

Once an interest is determined to be remote, it must be disclosed to the board and noted in the official minutes.<sup>25</sup> Board action may then be taken on the contract, but only without the participation of the remotely interested member; this requires complete disqualification and total absence of influence on other members.<sup>26</sup> Many Boards adopt policies requiring the interested party to leave the room for the duration of the discussion and vote, if action is taken.

However, if a board member influences or attempts to influence another member of the board regarding a contract in which he is remotely interested, the interest will no longer be deemed remote. Additionally, the willful failure of a member to disclose an interest has serious consequences, including a fine of up to one thousand dollars, criminal prosecution and

incarceration, and a lifetime ban from holding office in the state of California.

## **B. Consequences and Effects of a Section 1090 Violation**

Government Code Section 1092 provides that every contract made in violation of Section 1090 may be avoided by any party except the official with the conflict of interests.<sup>27</sup> However, despite the specific language "may be avoided," case law has made it clear that these violative contracts are not merely voidable, but are void as a matter of law.<sup>28</sup>

A void contract, from a legal standpoint, does not exist. It is unenforceable, as illustrated by *Finnegan v. Schrader*.<sup>29</sup>

West Bay Sanitary District (WBSD) was a local sanitary district with a five-member board. Upon the resignation of the district manager, the board appointed its Director, Carl Schrader, interim district manager. Schrader accepted the appointment effective with his resignation.

Shortly thereafter, a local rate-payer filed a complaint in court, alleging conflict of interest because Schrader's employment contract was negotiated while he was still on the Board. The Board responded by holding a special meeting where it voted to release Schrader and then rehire him immediately with all the same conditions of employment.

The Court of Appeals upheld the trial court's finding that Schrader was liable to the District for all compensation between the date of his original hire and the date the Board released and rehired Schrader. The Court found Government Code 1090 prevented state officers from financial interests "in any contract made by them in their official capacity, or any body or board of which they are members." The fact that this was an employment contract was of no consequence to the Court.

However, if a board member holds only a remote interest, the contract is not necessarily void. Rather, further analysis is needed. The contract is void if the private contracting party knew of the remote interest at the time the contract was formed.<sup>30</sup>

If a member intentionally fails to disclose a remote interest, he violates Government Code Section 1090 and is subject to criminal prosecution. Courts can and do impose fines of up to \$1,000 for wilful violation of Section 1090. Violators may also be sent to state prison.<sup>31</sup> Wilful violation requires knowledge of the remote interest and a purpose to violate.

In conclusion, if a board member has a material interest in a contract made by the board, with or without his participation, the contract is void as a matter of law. If a board member has a remote interest, he must disclose the interest, have it noted in the official record, and refrain from any participation or influence regarding the contract. If he wilfully fails to disclose his interest, or attempts to participate or influence other votes, the interested member may be individually subject



to prosecution. If there was knowledge by the contracting parties of the undisclosed interest, the contract is void.

For example, In *Thomson v. Call*, the Supreme Court of California decided that a city council member had violated Government Code Section 1090.<sup>32</sup> The council member had participated in a plan to have the city purchase a parcel of land he owned.<sup>33</sup> As a remedy for the harm, the council member was forced to pay the city back the purchase price of the land with interest.<sup>34</sup> In addition, the city was allowed to keep the land.<sup>35</sup> So, for participating in making a contract in which he had a material financial interest, the council member ended up without the land or the money, and was forced to pay interest.<sup>36</sup>

### **C. Exceptions to the Provisions of Section 1090**

#### **1. Non-Interests**

According to California Government Code Section 1091.5, a member will not be considered interested in a contract where certain interests exist.<sup>37</sup> These include:

1. the ownership of less than three percent of a for profit corporation, if the total income to the member does not exceed five percent of his or her total annual income.
2. an officer being reimbursed for actual and necessary expenses incurred in the performance of official duty.
3. receiving public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the board.
4. a member's spouse's employment or officeholding where the employment or officeholding existed for at least one year before he election of the member (but see discussion of Thorpe below).<sup>38</sup>
5. compensation from a governmental agency other than the school district, provided the interest is disclosed to the body or board at the time of consideration of the contract and it is noted in the official record.

Further situations where members are deemed not interested are enumerated in the statute. A member or board should consult an attorney to determine whether a non-interest exists. Additionally, it is important to remember that what may be a non-interest under Section 1091.5 may still create a conflict of interest under the Political Reform Act, discussed below.

In *Thorpe v. Long Beach Community College District*, the court held that a board member

had an interest in a proposed change of employment for his wife.<sup>39</sup> While his wife's continued employment was a non-interest, any decisions made by the board to affect her future employment were deemed to affect his financial interests, based on his community property interest in her earnings.<sup>40</sup>

Most recently, on February 26, 2004, the Attorney General of California issued an opinion stating that "[t]he governing board of a school district may employ a teacher as a permanent employee if she has been a probationary teacher for more than a year before her spouse became a member of the governing board."<sup>41</sup> The Attorney General's Opinion explained that "a probationary teacher's transition to permanent status" falls within the scope of section 1091.5's definition of a non-interest.<sup>42</sup> The Attorney General emphasized that "significantly, the initial hiring was made by a disinterested governing board with the presumed expectation that the employee would attain tenure after two years of satisfactory service. . . . Under these unique circumstances, requiring the termination of the employment relationship would not serve the purposes of section 1091.5."<sup>43</sup>

## **2. Doctrine of Necessity: Legally Required Decisions**

The common law doctrine of necessity allows public officials to participate in governmental decisions they would otherwise be disqualified from by conflicts of interest if their disqualification would make it impossible for the agency to accomplish one of its vital duties.<sup>44</sup> However, this requires the action to be impossible without the participation of the interested member and the action to be vital to the duties of the board. This burden is high.

In one Attorney General opinion, a city council acted as the redevelopment agency. Three of the five members were interested in a governmental decision before the city council.<sup>45</sup> In order to establish a quorum one interested member had to be present with the two uninterested members at the meeting. However, the interested member was still prevented from voting.<sup>46</sup> The two non-interested members established a majority of a quorum, and therefore their two votes were sufficient.<sup>47</sup>

## **II. Conflicts of Interest Under Government Code Section 87100 et seq., The Political Reform Act**

California Government Code Sections 87100-87350 expressly address conflicts of interests by barring public officials of state and local government from making, participating in making, or in any way attempting to use his or her official capacity to influence a governmental decision in which he has a financial interest.<sup>48</sup> Statute also requires public officials to disclose assets and income that may be materially affected by their official actions and that materially interested members be disclosed and precluded from acting, in order to avoid all conflicts of interest.<sup>49</sup>

The Political Reform Act also carries a burden to disclose all interests that MAY be



affected by any action within the member's public responsibility. Necessary disclosures include, but are not limited to, investments in business entities, interests in real estate, sources of personal income including gifts, loans and travel payments, and positions of management or employment with business entities.<sup>50</sup> All of this is designed to avoid conflicts of interest which are created when it is reasonably foreseeable that a governmental decision made in the member's official capacity, will have a material financial effect on the member's interests.<sup>51</sup>

#### **A. Determining the Presence of a Conflict Under Section 87100**

Government Code Section 87100 applies to public officials. Public officials include members, officers, employees or consultants of a state or local agency.<sup>52</sup> School board members are public officials within that definition. Therefore, when a school board member will be making, participating in making, or using or attempting to use his or her official position to influence a government decision, a conflict of interest analysis is necessary.<sup>53</sup>

First, it must be determined whether a board member has a financial interest in a governmental decision. Government Code Section 87103 outlines the circumstances in which a public official has a financial interest:

A public official has a financial interest where it is reasonably foreseeable that a decision will have a material financial effect on the public official or a member of his or her immediate family, distinguishable from its effect on the public generally.<sup>54</sup> Additionally, a financial interest exists where there is a reasonably foreseeable material financial effect on:

1. Any business entity in which the public official has a direct or indirect investment worth two-thousand dollars or more.
2. Any real property in which the public official has a direct or indirect interest worth two-thousand dollars or more.
3. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars or more in value, provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made.
4. Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.
5. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made.

For purposes of this Section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.<sup>55</sup>

Next, for each economic interest, a determination must be made as to whether the interest is directly or indirectly involved in the government decision that the member will be making, participating in making, or using or attempting to use his or her official position to influence.<sup>56</sup>

It is important to note that while gifts of two hundred and fifty dollars or more in a twelve month period create an interest that must be disclosed, gifts of more than three hundred and forty dollars from any single source in a calendar year are absolutely prohibited. The Ethics Section of the Political Reform Act prohibits gifts above the set threshold, which is increased in odd numbered years for inflation.<sup>57</sup> For local public officials, the gift limitation applies only to donors who would otherwise be disclosable on a member's annual filing regarding personal financial interests.

#### **1. Direct and Indirect Interests**

A public official's, including any board member's, interest is directly involved in any decision which has any effect on his or her personal finances or the finances of his or her immediate family.<sup>58</sup> In addition, the administrative regulations address when interests are directly involved in the areas of business entities, sources of income, sources of gifts, real property, personal expenses, income, assets and liabilities.<sup>59</sup>

#### **2. Material Financial Effect**

The "financial effect of a governmental decision is material if the decision will have a significant effect on the official or a member of the official's immediate family, or on the source of income, the source of gifts, the business entity, or the real property which is an economic interest of the official."<sup>60</sup>

However, when the governmental decision will affect business entities, real property, sources of income, sources of gifts, or personal expenses, income, assets or liabilities of the public official or his immediate family, a more thorough analysis is necessary.<sup>61</sup> When questions arise regarding material effect on these interests, a member or board should consult an attorney for advice.

If, after completing the material interest and direct involvement analysis, it is not reasonably foreseeable that there will be a material financial effect to the board member, then no conflict exists under the Political Reform Act.<sup>62</sup> If it is reasonably foreseeable that the governmental decision will have a material financial effect on the Board member, it must be



determined whether that effect can be distinguished from the effect the decision would have on the public generally.<sup>63</sup> If the effects cannot be distinguished, there is no conflict under the Political Reform Act.<sup>64</sup>

Additionally, the Political Reform Act provides a conflict of interest exception for legally necessary participation.<sup>65</sup> This exception does not apply unless there is no other way for the board to accomplish the necessary task.<sup>66</sup>

It is also important to note that the Political Reform Act requires local agencies, like school districts, to adopt conflict of interest codes. These codes set forth which designated employees and member must annually report their financial interests, where that reporting is handled, and what interests are disclosable. The Political Reform Act gives these local codes the authority of statute and punishes a violation of a local code with the same consequences as a violation of the Act itself.

#### **B. Consequences for Violating the Political Reform Act**

If a conflict of interest exists under Section 87100 the official should disclose the conflict, refrain from participating in the decision and discussion of the issue, and be sure the conflict disclosure is included in the board's official minutes. If the official follows these procedures, the board's action without his involvement remains lawful.

A board member or other public official who fails to follow this procedure may be subject to fines and criminal penalties. The Fair Political Practices Commission (FPPC), responsible for enforcing the Act, may impose administrative fines of up to \$5,000 per violation. Civil lawsuits may bring additional fines. A board member may also be barred from running for office for four years for violating the Political Reform Act. The FPPC does not have the authority to bring criminal charges, but can refer cases to other law enforcement agencies, such as district attorneys. A willful violation is a misdemeanor.

#### **III. Incompatible Activities and Offices Under California Government Code Sections 1125-1129**

California Government Code Section 1126(a) provides:

a "local agency officer or employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed. The officer or employee shall not perform any work, service, or counsel for compensation outside of his or her local agency employment where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of his employing body, unless otherwise approved in the manner specified in subdivision

(b)"<sup>67</sup>

If the duties or loyalties of two offices are at odds, or if for reasons, such as public policy, holding both offices would be improper, the offices are incompatible.<sup>68</sup> Additionally, if either position supervises or has authority or removal power over the other, a conflict exists and the positions are incompatible.<sup>69</sup>

An incompatible activity, even if not an office, can create conflicts which trigger Section 1090 and Political Reform Act concerns. For example, employment can trigger split loyalty and therefore create a conflict under the general conflict codes.

By statute, being employed by a district and on the school board is incompatible.<sup>70</sup> "An employee of a school district may not be sworn into office as an elected or appointed member of that school district's governing board unless and until he or she resigns as an employee. If the employee does not resign, the employment will automatically terminate upon being sworn into office."<sup>71</sup>

### CONCLUSION

It is important to remember that the appearance of impropriety is enough to trigger conflict of interest laws. Accordingly, it is wise to err on the side of caution. There is no penalty for disclosing an interest that is not required to be disclosed, though the consequences for neglecting to disclose a conflict are severe. When there is a question, the potential conflict should be disclosed, the potentially interested member disqualified, and the advice of counsel sought.

S:\CompanyData\WPDOCS\NON-BILL\9313\Conflict of Interest\COI training Chualar 012804.wpd



### Endnotes

1. Cal. Gov. Code § 1090.
2. Cal. Educ. Code § 35233.
3. *People v. Gnass*, 125 Cal.Rptr.2d 225 (App. 5 Dist. 2002); *Finnegan*, 110 Cal.Rptr.2d 552; *People v. Honig*, 55 Cal.Rptr.2d 555 (App. 3 Dist. 1996).
4. *Gnass*, 125 Cal.Rptr.2d 225.
5. *Finnegan v. Schrader*, 110 Cal.Rptr.2d 552 (App. 1 Dist. 2001); *Fraser-Yamor Agency, Inc. v. Del Norte County*, 137 Cal.Rptr. 118 (App. 1 Dist. 1977).
6. *Id.*
7. *Thorpe v. Long Beach Comm. College Dist.*, 99 Cal.Rptr.2d 897 (App. 2 Dist. 2000); *City of Imperial Beach v. Bailey*, 162 Cal.Rptr. 663 (App. 4 Dist. 1980).
8. *Campagna v. City of Sanger*, 49 Cal.Rptr.2d 676 (App. 5 Dist. 1996); *People v. Darby*, 114 Cal.App.2d 412 (App. 2 Dist. 1952) (citing a later repealed Cal. Educ. Code section).
9. *Id.*
10. Cal. Gov. Code § 1090.
11. *See Thompson v. Call*, 38 Cal.3d 644, 649.
12. 70 Ops.Cal.Atty.Gen. 45 (1987).
13. *Thomson v. Call*, *supra*.
14. Cal. Gov. Code § 1091.
15. *People v. Honig*, 55 Cal.Rptr.2d 555 (App. 3 Dist. 1996).
16. *Id.*
17. *Id.*
18. *Id.*
19. *People v. Honig*, 55 Cal.Rptr.2d 555 (App. 3 Dist. 1996)
20. *Id.*

21. Id.
22. Id.
23. Cal. Gov. Code § 1091; 2004 Cal. Legis. Serv. Ch. 16 (S.B. 1086).
24. Except a non-compensated officer or employee of a nonprofit designed with one of its primary purposes to support the function of the board as provided in Cal. Gov. Code § 1091.5(a)(8).
25. Id.
26. 78 Ops. Cal. Atty. Gen. 230, 237 (1995); *see e.g.*, *People v. Honig*, 48 Cal.App.4th 289, 334-339; *People v. Sobel*, 40 Cal.App.3d 1046.
27. Cal. Gov. Code § 1092.
28. *Thomson v. Call*, 38 Cal.3d 633; *City of Oakland v. California Const. Co.*, 15 Cal.2d 573; *People ex rel. State of Cal. v. Drinkhouse*, 4 Cal.App.3d 933; *Stockton P & S Co. v. Wheeler*, 68 Cal.App. 592; *Smith v. Bach* 183 Cal. 259 (1920).
29. *Finnegan v. Schrader* (2001) 91 Cal.App.4th 572.
30. Cal. Gov. Code § 1091(d).
31. Cal. Gov. Code § 1097.
32. *Thomson v. Call*, 38 Cal.3d 633 (1985).
33. Id.
34. Id.
35. Id.
36. Id.
37. Cal. Gov. Code § 1091.5.
38. Although a member would be deemed interested in the promotion or employment change of his or her spouse within the district. *See Thorpe v. Long Beach Comm. College Dist.*, 83 Cal.App.4th 655 (2000).
39. Id.
40. Id.



41. Cal. A.G. No. 02-206, 2004 WL 373872 \*1 (February 26, 2004).
42. Cal. A.G. No. 02-206, 2004 WL 373872 \*5 (February 26, 2004).
43. Cal. A.G. No. 02-206, 2004 WL 373872 \*5 (February 26, 2004).
44. *Finnegan v. Schrader*, 110 Cal.Rptr.2d 552 (App. 1 Dist. 2001).
45. 61 Ops.Atty.Gen. 243 (1978).
46. *Id.*
47. *Id.*
48. Cal. Gov. Code § 87100.
49. Cal. Gov. Code § 81002(c).
50. Cal. Gov. Code § 87200.
51. Cal. Gov. Code § 87103.
52. *See* Cal. Gov. Code § 82048.
53. 2 CCR § 18700(b)(2).
54. Cal. Gov. Code § 87100.
55. Cal. Gov. Code § 87103.
56. 2 CCR §§ 18700(b)(3)-(4), 18704(a).
57. Cal. Gov. Code § 89503 (with increased dollar amount as per the FPPC web site outlining gift restrictions).
58. 2 CCR § 18704.5.
59. 2 CCR § 18704.
60. 2 CCR § 18705(b)(1).
61. 2 CCR § 18705.
62. 2 CCR § 18700(b)(6).
63. 2 CCR § 18700(b)(7).

64. Id.

65. 2 CCR § 18700(b)(8). *See* 2 CCR § 18708.

66. 2 CCR § 18708.

67. Cal. Gov. Code § 1126(a).

68. 33 Ops. Cal. Atty. Gen. 113 (1961).

69. Id.

70. Cal. Educ. Code § 35107.

71. Id.





# Monterey County Office of Education

Dr. William D. Barr  
Monterey County  
Superintendent of Schools

901 Blanco Circle

Post Office Box 80851

Salinas, California 93912-0851

Salinas (831) 755-0300

Monterey (831) 373-2955

Facsimile (831) 753-7888

[www.monterey.k12.ca.us](http://www.monterey.k12.ca.us)

March 3 2004

The Honorable Terrance R. Duncan  
Presiding Judge of the Superior Court  
Monterey County  
P. O. Box 1819  
Salinas, CA 93902

SUBJECT: Response to the 2003 Monterey County Grand Jury Report

Dear Judge Duncan:

As required by Penal Code Section 933(b), the following is the response by the Monterey County Superintendent of Schools and the Monterey County Board of Education to the "Findings" and "Recommendations" of the 2003 Monterey County Grand Jury Report.

The Grand Jury has required the County Superintendent of Schools and the County Board of Education to respond to the same Findings and Recommendations. The County Superintendent is the ex officio Secretary to the County Board of Education (E.C. 1010), and the Responses of the County Superintendent of Schools and the County Board of Education have been combined into a single document.

This document was reviewed by the Monterey County Board of Education and the Monterey County Superintendent of Schools, in a public session on March 3, 2004, where action was taken to adopt it as the formal response to the Grand Jury 2003 Report.

Included as Appendix A are copies of the survey results showing the recent participation in various trainings by members of the school boards of Monterey County. Included as Appendix B are copies of flyers of various trainings offered to the school boards of Monterey County.

Should the Grand Jury have other questions or points in need of clarification, I remain available to provide information and assistance.

Sincerely,

William D. Barr, Ed.D.  
Monterey County Superintendent of Schools  
and Secretary to the Monterey County Board of Education

## **FINDINGS & RESPONSES TO FINDINGS**

(Sections which appear in *italics* are direct quotes as taken from the County of Monterey's web site)

### *FINDING # ONE: School Board Training:*

- a. May not be made mandatory. It must remain a voluntary option for the School Board member.*
- b. May not be provided for individuals who are considering standing for School Boards.*
- c. May be offered to candidates for election to School Boards who have already registered as candidates.*

### **RESPONSE:**

The Monterey County Superintendent of Schools AGREES with Elements a. and c. of this Finding.

The Monterey County Superintendent of Schools HAS RESERVATIONS with Element b. of this Finding. The reasons:

1. Informal training is readily available to any declared candidate or person considering filing for candidacy.
2. District superintendents, currently sitting school board members, individuals who have previously served on school boards, the County Superintendent of Schools and Members of the County Board of Education are frequently contacted by persons who are considering filing papers to seek seats on public school boards.
3. The staff of the Monterey County Office of Education frequently provide information and assistance to those considering seeking a school board seat, or have declared their candidacy.



*FINDING # TWO: Subject Matter is at a Professional Level:*

*The "Masters in Governance" program consists of nine modules. The subjects are:*

- a. Foundations of Effective Governance;*
- b. Setting Direction;*
- c. Human Resources;*
- d. Policy;*
- e. Student Learning and Achievement;*
- f. Finance;*
- g. Collective Bargaining;*
- h. Community Relations and Advocacy;*
- i. and Governance Integration.*

**RESPONSE:**

The Monterey County Superintendent of Schools AGREES with this Finding. The above listed nine items are the modules of the "Masters In Governance" Program and the program is at the professional level.

*FINDING # THREE: Scheduling and Modules Lack Flexibility:*

*Module #1 must be taken first; then the other modules may be taken ... in any order. All modules may be taken at the MCOE offices. Sessions are scheduled from 8:30 AM to 4:30 PM on Saturdays. Module #1 was offered at the MCOE in November 2002. Module #9 will be offered in May 2004. That will complete one cycle.*

*No modules will be repeated at the MCOE prior to completion of the present cycle. The same program is offered in the following venues: Sacramento, Eureka, El Centro, Novato, San Jose, Costa Mesa, and San Diego. In some of these venues, one may take two modules on successive days, Saturday and Sunday. After October 2003, module #1 will not be offered again anywhere until April 2004. Any module may be taken at any venue. The present fee for the "Masters In Governance" program is \$1,350 per person. This charge covers the entire course and materials, regardless of where the modules are taken; it does not cover travel, lodging, or meals.*

RESPONSE:

The Monterey County Superintendent of Schools AGREES with this Finding.

The Monterey County Office of Education is sponsoring the “Masters In Governance” Program for sitting school board members, superintendents and others. This is a nine session program is conducted by the California School Boards Association. This program has been offered in the past in other areas of California, and has been brought to Monterey County to make it more accessible for local residents. The successful and positive response to the current session anticipates that it will continue to be made locally available.

*FINDING #FOUR: Current Level of School Board Participation is Comparatively Low:*

*For the first four modules offered at the MCOE offices, School Board members numbered 28 (counting some more than once for attending more than one session), superintendents numbered seven (different persons), and there were seven others. There are at present 117 District School Board members in Monterey County.*

RESPONSE:

The Monterey County Superintendent of Schools DISAGREES with the perception of this Finding.

The Masters In Governance Program is in its first year in Monterey County, and a 23 per cent participation rate in any first time education offering should be viewed as a success rather than “comparatively low” participation.

The 2003 Grand Jury failed to consider, measure or survey individuals who participated in the Masters In Governance Program prior to its being offered in Monterey County. Persuading the California School Boards Association to offer the Program in Monterey County should be considered a coup rather than an opportunity which has been disregarded by those eligible to participate.

*FINDING #FIVE: School Boards utilize many other sources for training, besides the MCOE and CSBA. Among these are:*

*Monterey County Leadership Institute;*

*National School Boards Association;*

*Small School District Association;*

*The California Latino School Boards Association; and*

*Coalition For Adequate School Housing, consultants, and legal counsels.*

*Many School Boards hold Training retreats for their members, and many rely heavily on their own superintendents for periodic instruction. Some use other professionals.*



RESPONSE:

The Monterey County Superintendent of Schools AGREES with this Finding.

*FINDING # SIX:*

*Although some School Boards have not sent members to any “Masters in Governance” modules, this doesn’t imply that the members have not received training. Some of the smaller School Districts, with modest budgets, provide their own Training Programs, albeit infrequently. There appears to be no standard criteria for evaluating Training Programs. Some School Districts often offer their own School Board Training programs, and others sometime purchase expensive professional outside training.*

RESPONSE:

The Monterey County Superintendent of Schools AGREES with this Finding.

**- End of Response to Findings Section -**

## **RECOMMENDATIONS & RESPONSES TO RECOMMENDATIONS**

(Sections which appear in *italics* are direct quotes as taken from the County of Monterey's web site)

***The 2003 Monterey County Civil Grand Jury recommends that:***

### **RECOMMENDATION # ONE:**

*The MCOE should provide an intensive one-session annual school board candidate orientation class which should be conducted for all school board candidates at some time after all the candidates have registered as candidates and before Election Day. Upon completion of this course, each candidate should be awarded a Completion Certificate and the candidate's listing on the ballot should be permitted to reflect award of this certificate.*

### **RESPONSE:**

The Monterey County Superintendent of Schools is available to offer a general workshop for candidates at the close of the declaration period in order to acquaint the candidates with the roles of school board members. This would be a newly structured workshop that focuses on the responsibilities of school board members, and how to demonstrate good boardsmanship.

A certificate could easily be granted for attendance, however, the Grand Jury should inquire of the Monterey County Election Department and the California Secretary of State as to "the candidate's listing on the ballot should be permitted to reflect award of this certificate."

### **RECOMMENDATION # TWO:**

*The MCOE should provide an intensive short basic training course for newly elected school board members which would be required of them, and provided to them, within the first 100 days after their assumption of office. This course should include an emphasis on the Brown Act.*

### **RESPONSE:**

New Board Member workshops, including an emphasis on the "Brown Act," have been offered for several years. As to the matter of requiring attendance at these workshops, the Grand Jury should check with its legal advisor as the statutory authority for such a requirement.



RECOMMENDATION # THREE:

*The MCOE should provide continuing education refresher training courses for experienced school board members. These continuing education courses should be offered at numerous and convenient times and places and should be made available to all school board members, after their first year in office, to facilitate the member's fulfilling the Minimum Continuing Education Requirements (MCER).*

RESPONSE:

The Recommendation for “refresher training courses for experienced school board members” has long been offered to the school board members of Monterey County.

Rather than requiring school trustees to attend a preset schedule of classes, these trainings are offered by the County Superintendent and his staff to each district at the time and place of the school board's choosing.

It is suggested that the Monterey County Grand Jury check with its legal advisor as to authority to establish and mandate Minimum Continuing Education Requirements (MCER) for democratically elected school board members.

RECOMMENDATION # FOUR:

*The MCOE should establish and widely publish Monterey County Minimum Continuing Education Requirements (MCER) for all school board members. These requirements should include an emphasis on the Brown Act.*

RESPONSE:

At the completion of the “Masters in Governance” program, each graduate will be publicly recognized and every effort will be made to encourage the local media to acknowledge the dedication and sacrifice of these graduates.

In regards to the Recommendation that MCOE should “establish . . . Minimum Continuing Education Requirements (MCER)” for democratically elected school board members. It is suggested that the Monterey County Grand Jury check with its legal advisor as the authority to establish and mandate such requirements.

RECOMMENDATION # FIVE:

*The MCOE should establish a fee per module for each “Masters in Governance” module and market each module in a way that will allow school board members to register for more modules over time.*

RESPONSE:

The Office of the Monterey County Superintendent of Schools has exerted great effort in bringing the Masters In Governance Program to Monterey County. After long negotiations, assurances of attendance, and the contribution of staff time, meeting space and in-kind resources, the California School Boards Association agreed to hold a cycle of the Program in Salinas.

The California School Boards Association designed the nine modules and assess one fee to cover their costs for all nine, and to encourage registrants to attend all nine sessions. To allow single module fee would lose the comprehensiveness of the complete, articulated training. The Monterey County Office has no authority or control over how the Program is marketed nor the costs associated with it.

RECOMMENDATION # SIX:

*The MCOE should assign specific staff members to meet frequently with individual school boards at the school board site. These meetings should appropriately alternate between regular school board meeting dates and other school board meeting dates such as retreat dates and locations. The subjects for these meetings should include evaluation of current local, county, and statewide problems and trends, and MCOE staff should seek to create a shared sense of goal achievement partnership and willing aid availability between the MCOE and each school board member.*

RESPONSE:

The staff of the Monterey County Office of Education has always made it a practice to provide information and assistance to school board members.

Public education requires specialties and expertise in a spectrum of professional areas, including: finance, business, construction, maintenance and operations, public relations, intergovernmental affairs, transportation, curriculum and instruction, special education, disaster preparedness, information technology, psychology, pupil services, personnel law and a host of other topics.

When school board members or districts’ staff seek assistance and/or information in the wide range of possible areas inquiry, they are directed to the MCOE staff person(s) most able to assist them.

The key is that the school board or school district staff originates the contact, since MCOE is here to provide assistance and services.

This Recommendation, as it is presented, overlooks the authority and roles of the districts’ contracted superintendent and employed professional staff.



RECOMMENDATION # SEVEN:

*The MCOE should review the “Masters in Governance” program to achieve the goal of creating shorter and more easily understood modules.*

RESPONSE:

The “Masters In Governance” Program is a serious and academically sound sequence of curriculum designed to provide a graduate level education to sitting board members and others. It would be detrimental to the effectiveness of the California School Boards Association’s Program to reduce its depth or content.

Further, should someone be interested in “shorter and more easily understood modules,” these are offered by various organizations at a variety of times and places (see Appendix A for a roster of individuals who have attended these abbreviated courses and workshops.

RECOMMENDATION EIGHT:

*The MCOE should consider appointment of one of its specialist professionals to serve as a liaison between the MCOE and all 24 District School Boards. This specialist professional would be available as a specific initial point of contact to offer the assistance of the MCOE in dealing with the variety of critical time-sensitive issues of importance to School Boards.*

RESPONSE:

The Office of the Monterey County Superintendent of Schools already serves as the “specific initial point of contact” for school districts’ board members and professional staff.

My personal staff and cabinet members routinely provide assistance and information as requested by school board members and school districts’ professional staff. When appropriate and necessary, other MCOE staff members are consulted, using their specific areas of knowledge and skill as required.

**- End of Response to Recommendations Section -**

**CHUALAR UNION ELEMENTARY SCHOOL DISTRICT****2002 Workshops/trainings/Conferences Board Members Attended****BOARD RETREAT****Chualar Union Elementary School District****March 14, 2002****Roger Hatch, John Guereque, Elida Gonzales, Elizabeth Ochoa, and Rosa Manriquez****2-YEAR MASTER GOVERNANCE PROGRAM****Starting October 2002****Roger Hatch****CALIFORNIA LATINO SCHOOL BOARD MEMBER ASSOCIATION****San Jose, California****October 4 & 5 2002****Roger Hatch, John Guereque, and Elida Gonzales****CALIFORNIA SCHOOL BOARD ASSOCIATION ANNUAL CONFERENCE****December 5-7, 2002****Roger Hatch, John Guereque, Elizabeth F. Ochoa, and Rosa Manriquez****BOARD RETREAT****October 2, 2002****Chualar Union Elementary School District****Roger Hatch, John Guereque, Elizabeth F. Ochoa, and Rosa Manriquez**

---

**2003 Workshops/trainings/Conferences Board Members Attended****CABE ANNUAL CONFERENCE****February 12-15, 2003****Roger Hatch****CALIFORNIA SCHOOL BOARD ASSOCIATION Celebrating Educational Opportunities****Albuquerque, New Mexico****March 21-23, 2003****Roger Hatch, John Guereque, and Elida Gonzales****CALIFORNIA LATINO SCHOOL BOARD MEMBER ASSOCIATION****October 2 & 3, 2003****Mr. Roger F. Hatch, John Guereque****NATIONAL SCHOOL BOARD ASSOCIATION****April 5-8, 2003****Roger Hatch, John Guereque, Elida Gonzales, Elizabeth F. Ochoa, and Rosa Manriquez****CALIFORNIA SCHOOL BOARD ASSOCIATION Annual Conference****December 11-13, 2003****Roger Hatch, John Guereque and Elida Gonzales**



---

2004 Workshops/trainings/Confercnccs Board Members Attended or will Attend

**BOARD RETREAT**

Chualar Union Elementary School District

February 24, 2004

Roger F. Hatch, Elizabeth F. Ochoa, and Rosa Manriquez

CABE San Jose, California

March, 4 – 7, 2004

Elida Gonzales

**BOARD RETREAT**

Chualar Union Elcmntary School District

March 13, 2004

Roger F. Hatch, Elida Gonzales, Elizabeth F. Ochoa, Rosa Manriquez and John Guereque

**NATIONAL SCHOOL BOARD ASSOCIATION ANNUAL CONFERENCE**

March 27-30, 2004

Roger Hatch, John Guereque and Elida Gonzales, AND Elizabeth Ochoa

---

## **GONZALES UNIFIED SCHOOL DISTRICT**

### *2002 Workshops/Trainings/Conferences Board Members Attended*

---

**CSBA 2002 Institute for New and First-Term Board Members**

**March 8-9, 2002**

Eva Rios

**CSBA 2002 Masters in Governance Program – Foundations of Effective Governance**

**April 19, 2002**

Tim Handley

**CSBA 2002 Masters in Governance Program – Policy and Judicial Review**

**April 20, 2002**

Tim Handley

**2-year Masters in Governance Regional Training Program**

**started November 2002**

Wendy Dodson, Tim Handley, Eva Rios

**CSBA Annual Education Conference**

**December 5-7, 2002**

Wendy Dodson, Tim Handley, Eva Rios, Barbara Robinson

---

### *2003 Workshops/Trainings/Conferences Board Members Attended*

**Monterey County School Boards Association and Organizational Meeting**

**April 29, 2003**

Alonzo Gonzalez, Eva Rios, Wendy Dodson, Barbara Robinson

**CSBA Orientation for New Trustees**

**December 10, 2003**

Sonia Jaramillo

**CSBA Annual Education Conference**

**December 11-13, 2003**

Sonia Jaramillo

**Gonzales Unified School District, New Board Member Training  
2003**

Sonia Jaramillo, Barbara Robinson

---



---

*2004 Workshops/Trainings/Conferences Board Members Attended or will Attend*

**2-year Masters in Governance Regional Training Program**

**start March 2004**

Barbara Robinson

**Monterey County School Boards Association and Organizational Meeting**

**March 24, 2004**

Sonia Jaramillo, Barbara Robinson

**CSBA Annual Education Conference**

**December 2-4, 2004**

Wendy Franscioni, Barbara Robinson, Tim Handley, Sonia Jaramillo, Eva Rios

From: "Tammi Tognetti" <ttognett@monterey.k12.ca.us>  
To: "Ron Eastwood" <eastwood@monterey.k12.ca.us>  
Cc: <lwbrown@monterey.k12.ca.us>  
Subject: Board Member Trainings for Grand Jury

Ron,

I am sending the information about the board member trainings offered to the members of both the KCUSD and KCJUHSD. Although not all members attended each training, there was representation by members of both boards at each workshop/conference.

00-01

CSBA Annual Educational Conference  
SSDA Annual Conference  
Board Retreat (1 for each district)  
CSBA Curriculum Institute

01-02

CSBA Annual Educational Conference  
SSDA Annual Conference  
Board Retreat (1 for each district)  
CSBA Curriculum Institute

02-03

CSBA Annual Educational Conference  
SSDA Annual Conference  
Joint Board Retreats (2 were held with both boards participating to discuss K-12 visions/goals)  
CSBA Curriculum Institute

03-04

CSBA Annual Educational Conference  
SSDA Annual Conference (next month)  
Joint Board Retreats (2 have been held so far with both boards participating)  
CSBA Curriculum Institute

In addition, we are currently working with CSBA to schedule a Single District Governance Workshop to be held in April or May

I hope this gives you the information you need. If not please let me know.



From: "Tammi Tognetti" <ttognett@monterey.k12.ca.us>  
To: "Ron Eastwood" <eastwood@monterey.k12.ca.us>  
Cc: <lwbrown@monterey.k12.ca.us>  
Subject: More Grand Jury Info

Ron,

In addition to the information I send in my previous e-mail, the board president of the KCUSD also completed the full Masters in Governance Program last year.

Sorry I forgot to include this!

## **NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT**

---

### *2001 Workshops/Trainings/Conferenes Board Members Attended*

#### **Two-Year Masters Ina Governance Program (2000-2002)**

Rachelle Morgan-Lewis

#### **Negotiations Training**

**March 2001**

Rachelle Morgan-Lewis

#### **Board /Managers Communication Workshop**

**April 2001**

Rachelle Morgan-Lewis, Larry Calhoun, Diana Jimenez, Samuel Laage

#### **MCOE Annual School Boards Organizational Meeting**

**April 2001**

Rachelle Morgan-Lewis

#### **Special Institutes—Board Meeting Training**

**July 2001**

Rachelle Morgan-Lewis

#### **CSBA Spokesperson Training**

**December 2001**

Rachelle Morgan-Lewis

#### **CSBA Annual Conference**

**December, 2001**

Samuel Laage, Larry Calhoun, Rachelle Morgan-Lewis

---

### *2002 Workshops/Trainings/Conferenes Board Members Attended*

#### **Two-Year Masters in Governance Program (2002-2004)**

Robert Taniguchi, Samuel Laage

#### **California Association for Bilingual Education (CABE) Conference**

**January 2002**

Rachelle Morgan-Lewis

#### **School Board Retreat**

**February 2002**

Rachelle Morgan-Lewis, Larry Calhoun, Samuel Laage, Diana Jimenez, Robert Taniguchi

#### **Board/Management Communication Workshop**

**March 2002**

Rachelle Morgan-Lewis, Larry Calhoun, Samuel Laage, Robert Taniguchi



**MCOE Annual School Boards Organizational Meeting**

**April 2002**

Rachelle Morgan-Lewis

**CSBA Annual Conference**

**December, 2002**

Diana Jimenez, Larry Calhoun, Rachelle Morgan-Lewis, Samuel Laage, Robert Taniguchi

**Regional Occupational Program Executive Board Meetings**

**Throughout 2002**

Rachelle Morgan-Lewis

**Selecting, Hiring, Firing Superintendents**

**2002**

Diana Jimenez

---

*2003 Workshops/Trainings/Conferenes Board Members Attended*

**Board/Senior Management Retreat**

**February 2003**

Rachelle Morgan-Lewis, Diana Jimenez, Larry Calhoun, Samuel Laage, Robert Taniguchi

**Board/General Management Workshop**

**April 2003**

Rachelle Morgan-Lewis, Diana Jimenez, Larry Calhoun, Samuel Laage, Robert Taniguchi

**MCOE Annual School Boards Organizational Meeting**

**April 2003**

Rachelle Morgan-Lewis

---

*2004 Workshops/Trainings/Conferenes Board Members Attended*

**Board/Superintendent Retreat (Facilitated by CSBA)**

**February 7, 2004**

Rachelle Morgan-Lewis, Larry Calhoun, Samuel Laage, Robert Taniguchi

**MCOE Expulsion, Suspension, Truancy Training**

**February 2004**

Rachelle Morgan-Lewis

---

*Other Workshops/Trainings/Conferences Board Members Attended*

**Rachelle Morgan-Lewis**

- Beginning Teacher Support & Assessment Training (BTSA) 2001-2003
- Peer Assistance & Review (PAR) Training
- Masters in Educational Administration 2001-2003
- Student Study Team (SST) Training 2001-2002
- CRLP Training 2001-2003

**Diana Jimenez**

- Packard Foundation Reading Lions (2000)
- K-3 Phonemic Awareness Direct Instruction 2000 (24 hours)
- CAFE Conference 1998, 1999, 2000 (2 days each year)

# Memo

To: Ron Eastwood, Communications Officer

From: Brad Bailey, Superintendent

CC: Board of Trustees

Date: February 17, 2004

Re: School Board Trainings



---

Our Trainings are as Follows:

February 7-8, 2003 Institute for New and First -Term Board Members

Millbrae, Westin SFO Airport

February 8, 2003 Board Presidents' Workshop, Millbrae, Westin SFO

Airport

August 5, 2003 School Board Workshop Presented by Ray Tolleson

California School Boards Association

Thanks!



---

## **SALINAS CITY ELEMENTARY SCHOOL DISTRICT**

---

### *2002 Workshops/Trainings/Conferences Board Members Attended*

#### **2-year Master Governance Program**

**starting October 2002**

Robert Foster Hoffman, Steve Malvini, John Aaron

#### **CSBA Annual Conference**

**December 5-7, 2002**

Skip Latham, Robert Foster Hoffman, Steve Malvini

---

### *2003 Workshops/Trainings/Conferences Board Members Attended*

#### **Monterey County School Boards Association and Organizational Meeting**

**April 29, 2003**

Skip Latham, Robert Foster Hoffman, Steve Malvini, Tessa Aguilar

#### **CSBA Delegate Assembly – May 2003**

Steve Malvini

#### **California Latino School Board Member Association Unity 2003 Conference**

**October 2 & 3, 2003**

Tessa Aguilar

#### **CSBA New Trustee Orientation – December 10, 2003**

Edward Moncrief, Robert Eggers, Michael Harris

#### **CSBA Annual Conference – December 11-13, 2003**

Robert Foster Hoffman,

#### **California Coalition of Black Schools Board Members – December 12, 2003**

Michael Harris

---

### *2004 Workshops/Trainings/Conferences Board Members Attended or will Attend*

#### **CSBA – Effective Governance Workshop for SCESD Board Members**

**January 19, 2004**

Robert Foster Hoffman, Skip Latham, Edward Moncrief, Robert Eggers, Michael Harris

#### **National Association for Year-Round Education – February 8, 2004**

Robert Eggers

#### **CSBA Celebrating Educational Opportunities: Bridging the Gap – March 19-21, 2004**

Robert Eggers

---

1/29/04

**Salinas Union High School District  
Workshops, Trainings and Conferences attended by Board Members  
2002-2004**

**California School Boards Association – Masters in Governance Program (eight interactive courses – all sessions completed)**

Phillip Tabera  
Anne Brown  
Art Gilbert

**2002**

**Chamber of Commerce Annual Awards, February 20, 2002**

Art Gilbert  
Anne Brown

**California School Boards Association – Institute for New and First Term Board Members, February 22-23, 2002**

Jeff Muñoz

**California School Boards Association – Crisis Communications and the Media and Board Presidents' Workshop, February 22-23, 2002**

Art Gilbert

**California School Boards Association – Essential Elements of Meeting Effectiveness, March 15, 2002**

Jeff Muñoz  
Art Gilbert  
Anne Brown

**California School Boards Association - Celebrating Educational Opportunities for Hispanic Students: Bridging the Gaps, April 26-28, 2002**

Phillip Tabera  
Art Gilbert

**Monterey County Office of Education School Boards Organizational Meeting, April 30, 2002**

Art Gilbert  
Anne Brown  
Rich Foster

**California School Boards Association – Legislative Action Conference, May 4-6, 2002**

Anne Brown  
Art Gilbert

**California School Boards Association – Delegate Assembly Meeting, May 4-5, 2002**  
Art Gilbert

**National Association of Elected Latino and Appointed Officials (NALEO) Annual Conference, June 27-29, 2002**  
Phillip Tabera

**California School Boards Association – Curriculum Institute, July 12-13, 2002**  
Anne Brown

**California School Boards Association – Back to School Conference, September 27, 2002**  
Anne Brown  
Art Gilbert

**California Latino School Board Members Association Unity 2002 Conference, October 3-4, 2002**  
Phillip Tabera

**Partners for Peace Annual Summit, November 20, 2002**  
Anne Brown

**Californian School Boards Association Annual Education Conference, December 5-7, 2002**  
Anne Brown  
Phillip Tabera  
Art Gilbert

**California School Boards Association CSBA Delegate Assembly, December 4-5, 2002**  
Art Gilbert

## **2003**

**Governor's 2003 Budget Workshop, January 14, 2003**  
Art Gilbert

**Chamber of Commerce Annual Awards, February 20, 2003**  
Anne Brown

**California School Boards Association – The Brown Act and Board Presidents' Workshops, February 7-8, 2003**  
Art Gilbert



**California School Boards Association Celebrating Educational Opportunities for Hispanic Students: Bridging the Gaps, March 21 – 23, 2003**  
Phillip Tabera

**California School Boards Association – Teaming For Success: Superintendent Evaluation Workshop, April 30, 2003**  
Art Gilbert

**California School Boards Association – Legislative Action Meeting, May 19, 2003**  
Phillip Tabera  
Art Gilbert

**California School Boards Association – Delegate Assembly Meeting, May 17-18, 2003**  
Art Gilbert

**California School Boards Association - Curriculum Institute, July 11-12, 2003**  
Anne Brown

**National Association of Elected Latino and Appointed Officials (NALEO) Annual Conference, June 26-28, 2003**  
Phillip Tabera

**California Latino School Board Members Association Unity 2003 Conference, October 3-4, 2003**  
Phillip Tabera

**Association of Mexican American Educators State Conference, November 13-14, 2003**  
Anne Brown

**Californian School Boards Association Annual Education Conference, December 11-13, 2003**  
Anne Brown  
Kathryn Ramirez  
Phillip Tabera  
Art Gilbert

**CSBA Delegate Assembly, December 10-11, 2003**  
Art Gilbert

**CSBA – New Trustee Orientation – December 10, 2003**  
Kathryn Ramirez

## **2004**

**Chamber of Commerce Annual Awards, February 19, 2004**

Anne Brown

**National School Boards Association Annual Conference, March 25-30, 2004**

Rich Foster

Anne Brown

Art Gilbert

**California School Boards Association Celebrating Educational Opportunities for Hispanic Students: Bridging the Gaps, March 19 – 21, 2004**

Phillip Tabera

**National Association of Elected Latino and Appointed Officials (NALEO) Annual Conference, June 24-26, 2004**

Phillip Tabera

## SAN ANTONIO UNION ELEMENTARY SCHOOL DISTRICT

### Workshops/Trainings/Conferences for Board Members

#### 2002-2004 School Years

Two Year Master Governance Program (CSBA)  
Beginning October 2002—Ending May 2004

Board Members attending: Janeel Welburn  
Casey Bowler

Superintendent attending: Susan L. Gerard

#### Modules: (one day training)

- I. Foundations of Effective Governance
- II. Setting Direction
- III. Human Resources
- IV. Policy & Judicial Review
- V. Student Learning & Achievement
- VI. Collective Bargaining
- VII. Finance
- VIII. Community Relations & Advocacy
- IX. Governance Integration



**Santa Rita Elementary School District  
Workshops/Trainings/Conferences Board Members Attended  
2002 - 2004**

**Professional Educators Who are Board Members:**

Elva Arrellano, Teacher  
Pat Alexander, Director of Fiscal Services  
Jon Sanborn, Retired Teacher  
Nita McMurry, Teacher

**2-year Master Governance Program**

October, 2002 through 2004  
Elva Arrelano

**SSDA Annual Conference**

Summer, 2002  
Perry Vargas, Tom Spencer  
Summer, 2003  
Tom Spencer

**IBB Training**

3 day workshop, Sept., 2002  
Tom Spencer, Perry Vargas,

**Strategic Planning**

2 day session, June, 2002  
Tom Spencer, Perry Vargas  
2 day management retreat, June, 2003  
Perry Vargas

**Monterey County School Boards Association and Organizational Meeting**

April, 2002  
Elva Arrelano, Mike Roebuck, Perry Vargas  
April 29, 2003  
Elva Arrelano  
March, 2004

**CSBA New Trustee Orientation**

December, 2002  
Elva Arrellano, Jon Sanborn  
December 10, 2003  
Pat Alexander

**SSDA Regional Workshop**

July, 2002  
Elva Arrelano  
July, 2003

Elva Arrelano  
July, 2004

**SRTA District Curriculum Council**

Monthly Meetings in 2001-02

Elva Arrelano, Jon Sanborn

Monthly Meetings in 2002-03

Elva Arrelano, Jon Sanborn

Monthly Meetings in 2003-04

Elva Arrelano, Perry Vargas

**SOLEDAD UNIFIED SCHOOL DISTRICT  
BOARD MEMBER TRAINING**

---

1.     2004 – Workshop Training with CSBA  
New Board Members Training – February 27, 28  
Board member:       Lucio Rios  
  
District Training – December 12, 2003
2.     2003 Workshop/Training/Conference  
February 7-8, 2003 – Institute for New and First-Term Board Members, Millbrae, CA  
Board Member:       Marie Berlanga
3.     2002 – Workshop/Trainings/Conferences with CSBA  
July 2002 CSBA Summer Institute  
Board Member:       Marcelene Franscioni
4.     Trustee Orientation  
October 14, 2002
5.     December 5-7, 2002 CSBA Conference in San Francisco  
Board Member:       Marcelene Franscioni
6.     2001 Workshop/Training/Conferences  
July 2001 CSBA Summer Institute  
Board Member:       Marcelene Franscioni, Ira Katz
7.     2001 CSBA Conference – San Diego  
Board Member:       Marcelene Franscioni  
Marie Berlanga – New Board Members Training
8.     Masters in Governance Program – Certified:  
Marcelene Franscioni

\*Please note that recent year's participation to conferences and trainings have been limited due to budget constraints.



From: "Harold Kahn" <hkahn@monterey.k12.ca.us>  
To: "Ron Eastwood" <eastwood@monterey.k12.ca.us>  
Cc: "Harold Kahn" <hkahn@monterey.k12.ca.us>  
Subject: SUSD Trustees Board Trainings  
Date: Thu, 19 Feb 2004 10:15:59 -0800  
X-Priority: 3 (Normal)  
Importance: Normal

**SPRECKELS UNION SCHOOL DISTRICT**

*2001 Workshops/Conferences Board Members Attended*

**Monterey County School Boards Association and Organizational Meeting**

**April, 2001**

Dan Romero

**CSBA Annual Conference- December, 2001**

Dianne Byrd

*2002 Workshops/Conferences Board Members Attended*

**Monterey County School Boards Association and Organizational Meeting**

**April 30, 2002**

Dianne Byrd

**CSBA Annual Conference- December 5-7, 2002**

Dianne Byrd

Lisé Belton

*2003 Workshops/Conferences Board Members Attended*

**Monterey County School Boards Association and Organizational Meeting**

**April 29, 2003**

Lisé Belton,

Katie Andrus

**CSBA Annual Conference- December 11-13, 2003**

Lisé Belton

*2004 Workshops/Conferences Board Members Will Attend*

**Monterey County School Boards Association and Organizational Meeting**

**April, 2004**

*Representatives to Be Determined*

**CSBA Annual Conference –December, 2004**

*Representative(s) to Be Determined*

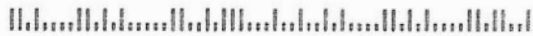


California School Boards Association  
3100 Beacon Blvd./P.O. Box 1660  
West Sacramento, CA 95691-1660

non-profit  
U.S. Postage  
PAID  
Sacramento, CA  
permit #2097

\*\*\*\*\*AUTO\*\*ALL FOR AADC 950

WILLIAM BARR  
SUPERINTENDENT  
MONTEREY COE  
PO BOX 80851  
SALINAS, CA 93912-0851



CSBA



Governance Training  
for School Trustees and  
Superintendents

*Maesters*  
In Governance  
PROGRAM

2007 Training



# Module

## DESCRIPTIONS

### FOUNDATIONS OF EFFECTIVE GOVERNANCE

*Note: This module must be taken prior to enrolling in any other module.*

This module provides the foundation for all of the other Masters in Governance trainings. Participants will learn about the roles and responsibilities of the governance team, with specific focus on the two core concepts of the Masters in Governance program: trusteeship and governance.

### POLICY AND JUDICIAL REVIEW

Board policies convey the board's expectations and provide direction and structure on any school-related topic. Attend this session and explore the board's policy-making role, including: identifying policy issues; developing a process for developing, communicating, and supporting sound policies; reviewing, revising and evaluating policies to ensure their effectiveness; and understanding the board's role in the judicial appeal process.

### STUDENT LEARNING AND ACHIEVEMENT

This module will provide participants with an understanding of the board's differentiated role in: setting expectations for student learning; assessing student achievement and district programs through success indicators; setting requirements for building an effective curriculum; allocating appropriate resources; creating processes for curriculum develop-

### SETTING DIRECTION

*Note: CSBA recommends that this module be taken after the Foundations of Effective Governance.*

The most critical task school trustees have is to set the educational direction for the school district. Attend and understand how establishing a district vision that integrates the district's beliefs, priorities, goals and success indicators serves as the driving force for all district efforts. Participants will create a vision that reflects their district's commitment and understand how it is interwoven into every facet of the district's education programs.

### COLLECTIVE BARGAINING

An effective collective bargaining process results in a reasonable employee contract that assists the district in achieving its vision. Participants will explore the governance team's role in meeting the needs of its employees as well as representing the interests of students, parents and taxpayers. Topics to be covered include: the history of collective bargaining and the legal requirements of negotiating; collective bargaining methodologies; the fiscal and programmatic impacts; and establishing a plan for communicating with the public.

### GOVERNANCE INTEGRATION\*

The final module in the series integrates the concepts of trusteeship and the governance team with the jobs of the board.

# Dates

## and LOCATIONS

### HYATT REGENCY SACRAMENTO

Foundations of Effective Governance .....	April 2
Policy and Judicial Review .....	April 2
Student Learning and Achievement.....	April 2
Setting Direction .....	April 3
Collective Bargaining .....	April 3
Governance Integration.....	April 3

Course Schedule (for all courses)

8:00 a.m. Registration Opens

8:30 a.m. – 4:30 p.m. Training Session

### WESTIN SOUTH COAST PLAZA, COSTA MESA

Foundations of Effective Governance .....	May 14
Policy and Judicial Review .....	May 14
Student Learning and Achievement.....	May 14
Setting Direction .....	May 15
Collective Bargaining .....	May 15
Governance Integration.....	May 15

Course Schedule (for all courses)

8:00 a.m. Registration Opens

8:30 a.m. – 4:30 p.m. Training Session



# Learn

from a highly esteemed cadre of trainers from CSBA's Governance Institute, including experts on educational issues, university professors, school board members, superintendents and CSBA staff members.



Del Alberti	Bob Carrer	Ray McMullen
Nice Alterman	Elaine Collins	Joel Montero
Ron Bennett	Leslie DeMerseman	Barry Reed
Connie Benz	Judy Endeman	Ann Song-Hill
Lynn Bogart	Keith Larick	
Bob Caine	Sherry Loofbourrow	
Davis Campbell	Molly McGee Hewitt	

For more information about the Governance Institute and its faculty, please visit [www.csba.org/gi.htm](http://www.csba.org/gi.htm).

# Governance Leadership

CSBA is dedicated to excellence in public education through the support of governance teams in their vital work. Being an active participant in an educational opportunity that defines the roles and responsibilities of school boards and provides district governance teams with the tools to keep all efforts focused on student learning and achievement.





CSB Foundation,  
c/o Westar Banc Bank,  
P.O. Box 1450, Susan City,  
CA 94565-4450  
(800) 266-3382, ext. 3287  
with purchase order or  
Visa/MasterCard/  
American Express number  
www.csba.org

Attend one module per day: Foundations of Effective Governance; Policy and Judicial  
Review; Student Learning and Achievement; Setting Direction; Collective Bargaining;  
Governance Integration

Name \_\_\_\_\_ Title \_\_\_\_\_  
District/County Office \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_ E-mail \_\_\_\_\_

### Registration Fee — CSBA Member\*: \$180 per module

(includes materials and lunch)

#### Foundations of Effective Governance

Will attend Sacramento, April 2  
Will attend Costa Mesa, May 14

#### Policy and Judicial Review

Will attend Sacramento, April 2  
Will attend Costa Mesa, May 14

#### Student Learning and Achievement

Will attend Sacramento, April 2  
Will attend Costa Mesa, May 14

#### Setting Direction

Will attend Sacramento, April 3  
Will attend Costa Mesa, May 15

Total Enclosed: \$ \_\_\_\_\_

#### Governance Program

Check here if enrolled in the Masters in

\*Participants must have completed all of the  
modules in order to attend the integration session.

#### Governance Integration\*

Will attend Sacramento, April 3  
Will attend Costa Mesa, May 15

#### Collective Bargaining

Will attend Sacramento, April 3  
Will attend Costa Mesa, May 15

Signature \_\_\_\_\_ Name as it Appears on Credit Card \_\_\_\_\_

P.O. Visa/MasterCard/American Express/Check # \_\_\_\_\_ Exp. Date \_\_\_\_\_

\*Individual board members and district/county office employees are considered members of CSBA if their district/county office is a member of CSBA. There will be an additional \$10 fee for all on-site registrations. The pre-registration fee is effective one week prior to the conference. Due to our accounting procedures, it will be necessary to process any registration received after that time as an on-site registration. Note: Cancellations must be received in writing one week prior to the date of the conference. There will be a \$40 cancellation fee after the one-week deadline. No refunds for no-shows.

## INFORMATION

**HYATT REGENCY  
SACRAMENTO  
1209 L Street  
Sacramento, CA 95814  
(916) 443-1234**

Costa Mesa, CA 92626  
(888) 627-7213  
\$159 single/double —  
12% hotel tax  
8% hotel tax

### CONFERENCE RATE:

Please make reservations early. A block of guest rooms has been reserved at each location. The cutoff date for the conference rate in Sacramento is March 5, 2004; and the cutoff date in Costa Mesa is April 22, 2004. After the cutoff date, rooms will be provided on a space-available basis only and the special group rate may not be available. If you're not enrolled in the Masters in Governance program and would like more information, please visit [www.csba.org/mig/](http://www.csba.org/mig/).



# Fiscal Implications of School District Reorganization

presented by Michele Huntoon, CPA, and Jerry Twomey, CPA

## About the Workshop

SSC, in conjunction with the State's Fiscal Crisis and Management Assistance Team (FCMAT), is pleased to announce this unique workshop on a very specific topic. Thanks to legislation enacted in 1998 (Chapter 906/1998), unification and consolidation are much more attractive for small- and medium-sized school districts, and more districts are now considering reorganization due in part to budget woes.

This year's workshop has been updated to include new case studies, as well as the consideration of multi-year planning for the years after the reorganization is effective. This workshop will enable school agencies to identify and understand the fiscal impact of unification and the reorganization process. Using actual case studies, Michele Huntoon, CPA, and Jerry Twomey, CPA, will lead discussions on fiscal issues associated with reorganization through consolidation, as well as reorganization resulting from the breakup of existing school districts.

## Who Should Attend

- ✓ County Committee on School District Organization Members
- ✓ Governing Board Members
- ✓ Superintendents
- ✓ Business Officials
- ✓ Employee Group Representatives
- ✓ Interested Members of the Community

## Workshop Content

Highlights of the workshop include:

- Evaluating whether the State Board of Education's 10 criteria for reorganization would be substantially met
- Understanding the petition process, timelines, and the role of key players
- An overview of local vote issues and subsequent governance issues
- Computing the new base revenue limit for the newly reorganized school district—including the all-important salary and benefit add-ons
- Projecting future revenue limit COLAs, and why the percentage increase in future base revenue limits will typically be less than the statutory COLA
- Negotiating new salary schedules and benefits for the reorganized district
- Understanding employee rights and assignments after reorganization
- Negotiating and writing an equitable division of assets and liabilities agreement
- Assessing the potential impact of the reorganization proposal on outstanding or pending bonded indebtedness
- Mapping out a transition plan for the period following the election
- Learning from others' successes and mistakes [Bring a few of your own experiences to share—mistakes will be kept anonymous.]

➤ Plus: Several "reality checks"

- How long a reorganization effort really takes
- Where—and why—opposition may occur
- Not just—can the proposed reorganization be successful? But should it move forward? Are there better—and less controversial—alternatives?

## Dates and Locations

**March 23, 2004—Sacramento COE**  
**March 31, 2004—Rancho Cucamonga**





November 24, 2003



Dear Superintendent/Board Member,

**California is facing a budget shortfall that's expected to exceed \$14 billion.** Economic uncertainties, a new administration, a special session of the Legislature — what can we expect? CSBA's 2004 Forecast Conference brings together California's political and fiscal leaders, as well as private sector economic experts, to provide information and insight into the fiscal realities of the new year. The conference provides the perfect opportunity to gather all the critical and *up-to-date* information you'll need as you strive to meet the challenges of governing your schools in this difficult time.

***Attend the 2004 Forecast Conference and learn...***

*How will the governor's economic recovery package impact schools?*

*What will the governor's January budget proposal mean for schools?*

*What will happen to categorical programs? Will there be block grants?*

*What policy changes for education are on the horizon for 2004?*

***Be prepared to lead your schools in the right direction by attending CSBA's 2004 Forecast Conference — offered at two locations!***

**January 15, 2004**

Sacramento Convention Center  
8:00 a.m. Registration opens  
9:00 a.m. – 4:00 p.m. Conference

**January 16, 2004**

San Diego COE  
Joe Rindone Regional Tech. Center  
8:00 a.m. Registration opens  
9:00 a.m. – 2:30 p.m. Conference

Register today by faxing the enclosed registration form, calling (800) 266-3382, ext. 3275, or online at [www.csba.org](http://www.csba.org). The registration fee of \$165 includes materials, refreshments and lunch.

Sincerely,

Jeannine Martineau  
President

**Enclosure**

3100 Beacon Boulevard  
P.O. Box 1660  
West Sacramento, CA 95691  
(916) 371-4691  
FAX (916) 371-3407



www.csba.org

# Forecast

## REGISTRATION FORM 2004

**Register online:**

www.csba.org

**Register by mail:**

CSBA, c/o Westamerica  
Bank, P.O. Box 1450  
Suisun City, CA  
94585-4450

**Register by phone:**

with purchase order  
or Visa/Mastercard/  
American Express  
(800) 266-3382, ext. 3314

**Register by FAX:**

with purchase order  
or Visa/Mastercard/  
American Express  
(916) 371-3407

**1****Registrant Information:**

NAME

TITLE

DISTRICT/COUNTY OFFICE

ADDRESS

CITY

ZIP

PHONE

E-MAIL

**2****Please indicate the workshop you'll be attending:**☐ **January 15, 2004**

Sacramento Convention Center  
1400 J Street, Sacramento

**Schedule**

Registration opens  
**8:30 AM**

Workshop session  
**9:00 AM — 4:00 PM**

☐ **January 16, 2004**

San Diego COE  
Joe Rindone Regional Technology Center  
6401 Linda Vista Road, San Diego

**Schedule**

Registration opens  
**8:30 AM**

Workshop session  
**9:00 AM — 2:30 PM**

**3****Registration Fee: \$165 CSBA Members\*. (Includes materials, refreshments and lunch)**

\$

AMOUNT ENCLOSED

P.O./VISA/MASTERCARD/AMERICAN EXPRESS/CHECK #

EXP. DATE

\* Individual board members and district/county office employees are considered members of CSBA if their district/county office is a member of CSBA.

**NOTE:** There will be a \$10 fee for all on-site registrations. The pre-registration fee is effective 10 days prior to the conference. Due to our accounting procedures, it will be necessary to process any registration received after that time as an on-site registration. Cancellations must be received in writing one week prior to the date of the conference. There will be a \$40 cancellation fee after the one-week deadline.

PURCHASE ORDER PAYMENT TERMS ARE NET 30 DAYS

**No refunds for no-shows.**



2004 CSBA's  
**Institute**  
*for new and first-term*  
**Board Members**

Faculty

**Del J. Alberti, Ph.D.**

Executive Search and Governance  
Consultant, CSBA

**Ron Bennett, President**

School Services of California, Inc.

**Carol Berg, Ph.D., Executive Vice President**

School Services of California, Inc.

**Lynn Bogart, Ed.D., Director of Curriculum  
and Instruction Huntington Beach City  
Elementary School District**

**Davis Campbell, President**

Governance Institute, CSBA

**Ken Hall, Chairman of the Board**

School Services of California, Inc.

A joint project of the California School  
Boards Foundation, the CSBA Continuing  
Education Department and Kelling,  
Northcross & Nobriga



2004 CSBA's  
**Institute**  
*for new and first-term*  
**Board Members**

**january 30-31**

Sacramento, Hyatt Regency Sacramento

**february 6-7**

Riverside, Mission Inn

**february 20-21**

Santa Rosa, Hilton Sonoma County

**february 27-28**

Visalia, Tulare County Office of Education

**march 12-13**

Redding, Red Lion Hotel



## CSBA's Institute *for new and first-term* Board Members

The California School Boards Foundation proudly presents this innovative training program designed especially for new school board members.

As a member of the governance team, your effective and knowledgeable leadership is crucial. This Institute will help you attain the high level of competency and understanding needed to do your job well.

*We strongly encourage attendance by superintendents.*

**The Institute** An exciting and comprehensive training program especially for new school board members...

In interactive sessions incorporating role playing exercises and simulations, the Institute emphasizes teamwork, an essential component among the board, superintendent and staff in order to keep efforts focused on student learning and achievement.

## Training Program

The Institute provides training in three major areas of board responsibility and authority: budget, personnel and curriculum. Interwoven throughout the training program are the tools you need to become an effective member of a governance team.

**Participants at the Institute for New and First-Term Board Members will come away with:**

### Effective Governance

- Greater insight into the role and critical aspects of school board governance
- An understanding of the attributes of a highly effective governance team

### Personnel

- How, when and where the board can impact personnel decisions
- Ways to create and maintain a positive, supportive personnel climate
- How to establish prudent guidelines and policies for contract negotiations

### Budget

- Methods for setting budget priorities that reflect the goals of the district
- Tools for adopting and monitoring the district budget
- An overview of the effect of collective bargaining contract decisions on the district budget

### Curriculum

- An understanding of the relationship among district goals, budget, personnel policies, curriculum, standards, assessment and student performance
- What the board can do to ensure appropriate processes for curriculum development review and adoption

## Training Schedule

January 30-31, 2004 | Sacramento, Hyatt Regency Sacramento  
February 6-7, 2004 | Riverside, Mission Inn  
February 20-21, 2004 | Santa Rosa, Hilton Sonoma County  
February 27-28, 2004 | Visalia, Tulare County Office of Education  
March 12-13, 2004 | Redding, Red Lion Hotel

### Hours

Friday: 9:00 a.m. - 4:30 p.m.  
Saturday: 9:00 a.m. - 4:00 p.m.  
Registration opens at 8:00 a.m. on Friday

cc: Antkowski

# Annual Spring Conference



California State  
**PTA**  
everychild.one voice.



**March 12-14, 2004**

Hyatt Regency Monterey

One Golf Course Drive ■ Monterey, California

---

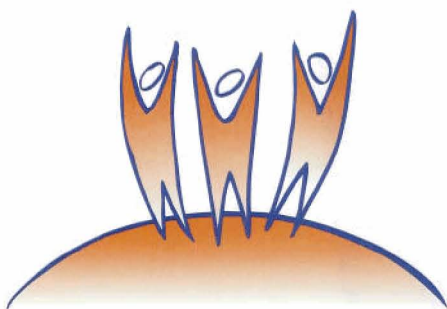
Presented by:

---

California County Boards of Education  
California State Parent Teachers Association  
California County Superintendents Educational Services Association



# Welcome



Dear Friends and Colleagues,

As members of the 2004 Annual Spring Conference Planning Committee, we invite you to attend the "Partnerships for Success" Annual Spring Conference presented by the California County Boards of Education (CCBE), the California State Parent Teachers Association (PTA), and the California County Superintendents Educational Services Association (CCSESA). These three associations, whose members provide a vital link between educators, parents and children, and the broader local community, have organized this conference for attendees to become

more informed of current issues in education, and to share new ideas with one another. We promise you thought-provoking discussions, guidance and direction through the changes and challenges facing public education.

"Partnerships for Success" represents the partnerships generated between the County Boards, parents, teachers and County Superintendents. This annual conference focuses on bringing all aspects of public education together for an informative array of presentations and discussions.

We are honored to feature several outstanding speakers throughout the weekend including State Superintendent of Public Instruction Jack O'Connell, speaker and author John Merrow, and humorist and education activist Angie Papadakis. County Office Showcase Sessions are designed as an opportunity for county offices to highlight exemplary model programs and share strategies. The Critical Issues Sessions address some of the major issues in California education policy that affect county offices. You will find details about these great sessions in this packet.

Once again, the beautiful Hyatt Regency Monterey will be the site of this event. During the conference, you will be dazzled by performances from students around the state, and you won't want to miss our Friday evening South of the Border dinner at the Hyatt Regency complete with a mariachi band!

We look forward to seeing you in Monterey on March 12-14, 2004 for our Annual Spring Conference.

Sincerely,

**Nick Aguilar**

*President, California County Boards of Education (CCBE)*

**Sara Wilkins**

*Past President, California County Boards of Education (CCBE)*

**Pat McManus**

*Executive Assistant, California County Board of Education (CCBE)*

**Carla Niño**

*President, California State Parent Teachers Association (PTA)*

**Brenda Davis**

*President-Elect, California State Parent Teachers Association (PTA)*

**Jan Harp Domene**

*Secretary-Treasurer, National Parent Teachers Association (PTA)*

**John D. Anderson**

*President, California County Superintendents Educational Services Association (CCSESA)*

**Glen W. Thomas**

*Executive Director, California County Superintendents Educational Services Association (CCSESA)*

**Heather Edwards**

*Assistant Executive Director, California County Superintendents Educational Services Association (CCSESA)*

**Kate Osborn**

*Executive Assistant, California County Superintendents Educational Services Association (CCSESA)*



# Schedule of Events

3



## CCBE / PTA / CCSESA

### Annual Spring Conference

"Partnerships for Success"

March 12-14, 2004

#### Thursday, March 11, 2004 (Pre-Conference Activities)

11:00 a.m. – 12:00 p.m.	CCSESA Executive Committee Meeting
12:00 p.m. – 2:00 p.m.	Timber Coalition Meeting
1:00 p.m. – 4:00 p.m.	FCMAT Board of Directors Meeting
2:00 p.m. – 4:00 p.m.	CCSESA Legislative Committee Meeting
4:00 p.m. – 6:00 p.m.	CCSESA Board of Directors Meeting
6:00 p.m. – 11:00 p.m.	CCBE Legislative Committee Meeting
6:00 p.m. – 11:00 p.m.	CCBE Executive Committee Meeting
6:30 p.m. – 7:30 p.m.	CCSESA President's Reception

#### Friday, March 12, 2004

**REGISTRATION begins at 9:00 a.m. in the Regency Foyer**

8:30 a.m. – 11:30 a.m.	CCSESA General Membership Meeting
9:30 a.m. – 11:30 a.m.	CCBE Board of Directors Meeting
12:00 p.m. – 1:50 p.m.	Opening General Session/Luncheon <ul style="list-style-type: none"><li>• <i>Keynote Speaker: Jack O'Connell, State Superintendent of Public Instruction</i></li></ul>

## Friday, March 12, 2004 (Continued)

2:00 p.m. – 3:00 p.m.	County Office Showcase I (Concurrent Sessions)
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:15 p.m.	County Office Showcase II (Concurrent Sessions)
6:00 p.m. – 9:00 p.m.	<i>South of the Border</i> reception and dinner at the Hyatt

## Saturday, March 13, 2004

8:00 a.m. – 10:00 a.m.	General Session/Continental Breakfast <ul style="list-style-type: none"><li>• <i>Keynote Speaker: Angie Papadakis</i></li><li>• <i>Presentation of "Mock" County Board Meeting Featuring County Board Members and County Superintendents</i></li></ul>
10:10 a.m. – 11:55 p.m.	Critical Issues Session I (Concurrent Sessions)
12:00 p.m. – 1:50 p.m.	General Session/ Luncheon <ul style="list-style-type: none"><li>• <i>Keynote Speaker: John Merrow</i></li><li>• <i>CCBE Exemplary Awards Program</i></li></ul>
2:00 p.m. – 3:45 p.m.	Critical Issues Session II (Concurrent Sessions)
3:45 p.m. – 4:00 p.m.	Break
4:00 p.m. – 5:30 p.m.	PTA Business Meeting
4:00 p.m. – 5:00 p.m.	CCBE General Membership Meeting
6:00 p.m.	"Dining Together" <i>Groups of attendees are encouraged to make reservations at local restaurants in advance.</i>

## Sunday, March 14, 2004

8:00 a.m. – 10:30 a.m.	Closing General Session/Breakfast <ul style="list-style-type: none"><li>• <i>The Right to Dream, Performance by Living Voices</i></li></ul>
------------------------	---





## **Jack O'Connell** **State Superintendent of** **Public Instruction**

**Friday, March 12, 2004**  
**12:00 p.m. to 1:50 p.m.**

Jack O'Connell was elected to serve as California's 26th State Superintendent of Public Instruction on November 5, 2002, garnering more votes than any other contested candidate in the country. Previously, he served for two decades in the California State Legislature representing the Central Coast.

Throughout his career, Superintendent O'Connell has stressed education improvement. As the author of numerous landmark education bills in both the Assembly and the State Senate, he made quality education in California his number one priority. This commitment to the children of California earned Superintendent O'Connell the praise and the respect of colleagues and educators.

At the helm of the California Department of Education, Superintendent O'Connell will focus on accountability, access, and opportunity. As a proven team builder with the ability to forge consensus on thorny issues, especially where

challenges are strongest, Superintendent O'Connell will continue efforts to fortify California's world-class academic standards, strengthen California's assessment system, and bolster support for the state's classrooms. He is a long-time advocate for smaller class sizes, improved teacher recruitment and retention, comprehensive diagnostic testing, and up-to-date school facilities.

Jack O'Connell was born in 1951 in Glen Cove, New York. In 1958, his family moved to Southern California, where he attended local public schools. He received his Bachelor of Arts degree in history from California State University, Fullerton and earned his Secondary Teaching Credential from CSU, Long Beach in 1975. He returned to his high school alma mater to teach for several years and later served on the Santa Barbara County School Board.

He was elected to the 35th State Assembly District in 1982 and was reelected by wide margins thereafter, once garnering both the Republican and the Democratic nominations. In 1994, O'Connell was elected to the 18th State Senate District and easily won reelection in 1998.

Superintendent O'Connell and his wife, Doree, have been married for more than 25 years and have a daughter, Jennifer, attending public high school. Doree O'Connell recently earned her teaching credential at Cal Poly San Luis Obispo.



## **Angie Papadakis**

**Saturday, March 13, 2004**  
**8:00 a.m. to 10:00 a.m.**

Angie Papadakis is a woman of many talents. An accomplished humorist, writer, speaker, businesswoman, activist, and volunteer, Angie's main focus

in life has been to help the community and improve education.

From 1983 to 1988, Angie served on the California State Board of Education. She was then appointed to the Little Hoover Commission where her main focus was education and children. Presently, Angie is in her third term as a member of the Los Angeles County Board of Education.

Angie has been an activist for children's education for many years. Having served on the Los Angeles Area Council Boy Scouts of America, United Way, Harbor Round Table Against Youth Violence, and the Gang Alternative Program in Los Angeles, Angie has been successful in improving the lives of children. As a founder of the Gang Alternative Program, her work is credited with the reduction of gang activity by teaching children in the fourth grade to stay out of gangs.

As a gag-writer, Angie's work has appeared in 39 national publications and she is currently a special freelance writer for Reader's Digest.

In her "spare time," Angie shares her special gift of wit and wisdom, experiences and expertise, with her audiences by giving them not only something to laugh about, but something to think about.



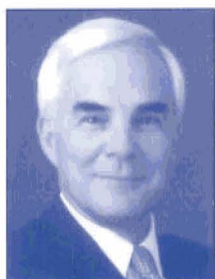
## Meeting Conduct – Mock Board Meeting

Saturday, March 13, 2004

8:00 a.m. to 10:00 a.m.

Conducting a Board meeting of any kind can be challenging and may include complicated legal issues. Attendees have an opportunity to observe the conduct of a “mock” County Board of Education meeting. During this session, taxing issues and situations will arise and be analyzed by panel Board members, superintendents and legal counsel.

Issues will include the Brown Act, addressing public comments, dealing with the media, and how in general, to conduct an effective, civil meeting. Content will be useful and insightful to anyone involved in Board meetings.



### John Merrow

Saturday, March 13, 2004

12:00 p.m. to 1:50 p.m.

Dr. John Merrow is the host and Executive Producer of *The Merrow Report* a television documentary series on PBS and National Public Radio (NPR) that discusses critical issues for education including: Are we preparing our young people for the future?; Are schools and teachers working to recognize the ability and develop the potential of each child?; and What does the future hold for education in America?

Merrow began his career as an English teacher in 1964. He has since produced and hosted numerous talk shows focused on education including, “Options in Education” and “Your Children, our Children” on NPR, “Learning in America” on PBS, and “Learning Matters” on The Learning Channel. Merrow is also the author of Choosing Excellence: “Good Enough” Schools Are Not Good Enough.

Dr. John Merrow is a popular public speaker on education and family issues. He is a Trustee of Teachers College, Columbia University and former Chair of the Alumni Council of the Harvard Graduate School of Education.

## Living Voices: The Right to Dream

Sunday, March 14, 2004

8:00 a.m. to 10:30 a.m.

Living Voices is a non-profit educational theatre arts organization dedicated to presenting programs using a combination of theatre and media to bring critical moments in history to life.

*The Right to Dream* is the story of Raymond Hollis, a Mississippi child of a World War II African American soldier. His mother is a domestic worker who is respected in their small Mississippi town. As a child, Raymond befriends a white child and the two become good friends, only to learn that their friendship was forbidden in a segregated society.



LIVING VOICES

In *The Right to Dream*, Raymond faces the realities of segregation and inequality as he becomes involved in the Student Nonviolent Coordinating Committee (SNCC) and takes part in sit-ins and protests during the early 1960's. The violent consequences of the civil rights movement test Raymond's dedication to creating a color blind society.

*The Right to Dream* is inspired by Martin Luther King, Jr.'s fight to raise our community out of the world of intolerance.



Friday, March 12, 2004

2:00 p.m. – 3:00 p.m.

## SAIT for Success

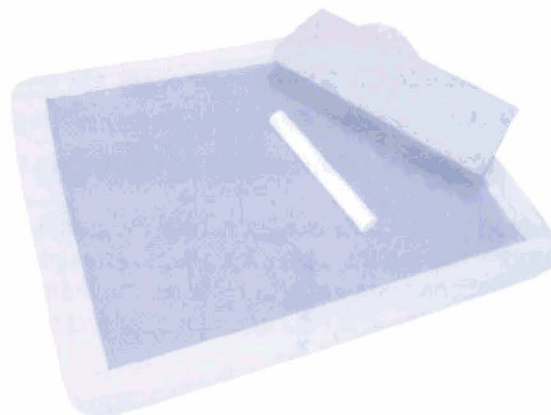
- **Dee Alarcon**, Solano County Superintendent
- **Robert Phillips**, Director, Educational Services, Solano COE
- **Barbara Nemko**, Napa County Superintendent
- **Jan Sabo**, Director of Curriculum & Instruction, Napa COE

Promoting equity and student achievement for all students is a top priority. This session will showcase the efforts of the Solano and Napa County Offices of Education in helping schools improve student achievement. Experiences will be shared regarding two different ways that the School Assistance and Intervention Team (SAIT) process was used. One process involves a state monitored school that was required to participate in the SAIT process. The other is with a school that volunteered to invite the Solano and Napa County Offices of Education SAIT teams into their school.

## Leadership for Continuous Quality in Education

- **Joe Ovick**, Contra Costa County Superintendent
- **Susan Magnone**, Associate Superintendent, Educational Services, Contra Costa COE

To be a leader in an organization based on quality management principles requires a different set of skills and knowledge than leaders in traditional organizations. The Contra Costa County Office of Education provides training for all managers that focuses on the concepts, attitudes and tools that leaders need to create a culture of continuous improvement. This session will teach participants about a leadership-training model and tools they can use to foster quality in their organizations.



## Cup of Joe? Creating Vocational Training Opportunities Through Community Partnerships

- **Pam Sanders**, Division Administrator, Special Education Services, Kern County Superintendent of Schools

The division of special education services, Kern County Superintendent of Schools, and Starbucks Coffee Company in Bakersfield have developed a community partnership to assist students in preparing for the working world. This session will discuss how four classes of junior high special education students operate "STAR's Gourmet Coffee Service" and are provided with an opportunity to integrate core curriculum skills and business acumen.

## A Countywide After School Program – New Ideas and New Collaboratives

- **Cyndy Dolph**, Division Administrator, Educational Services, Madera COE
- **Lorie Werner**, Coordinator, After School Programs, Madera COE
- **Gail Beyer**, Coordinator, Local Child Care Council, Madera COE

"Thinking out of the box" and developing new collaborative relationships has resulted in a successful after school program in Madera County. In its fourth year of operation, Club Y.E.S. (Youth Education and Enrichment at School) provides an after school program at nine sites in four districts throughout the county. Learn how the Madera County Board of Education has been supportive of the program from its inception and continues to support efforts to expand and broaden the capacity of the program.



# County Office Showcase I

## SB 1095 – Youth Partnership Program

- **Diego C. Lopez**, Director, Alternative Education, Imperial COE
- **Anne Mallory**, Assistant Superintendent, Imperial COE
- **Michael Kelley**, Chief Probation Officer, Imperial COE
- **James Semmes**, Director, Imperial County Social Services
- **Monalisa Vitela**, Student Services Coordinator, Imperial COE

The SB 1095 Youth Partnership Program is a collaborative effort between the Imperial County Office of Education and the Imperial County Probation Department for the purpose of providing service to students enrolled in the Alternative Education Program. As a result of the collaborative effort, data collected shows significant improvement in the areas of attendance, at-risk behavior, and crime recidivism. In addition, there are parenting modules to improve the parent's ability to supervise children, hold children responsible for their behaviors and increase the accountability of parents and children.



## PTAs and Education Foundations – Natural Partners, Not Competitors

- **Brenda Davis**, President-Elect, CA State PTA
- **Jan Domene**, Secretary-Treasurer, National PTA
- **California Consortium of Education Foundations**

Due to budget cuts to educational programs, more school communities are looking to education foundations to sponsor fundraising events, apply for grants, and provide funding for school programs. A perception exists that education foundations compete with PTAs as the main fundraisers and sponsors of programs. This workshop will explore the ways in which PTAs and education foundations may work cooperatively to benefit students most.

# County Office Showcase II

**Friday, March 12, 2004**

**3:15 p.m. – 4:15 p.m.**

## Kings County High Speed Wireless Network

- **Jerry Waymire, Jr.**, Assistant Superintendent, Kings COE

The Kings County Office of Education, in collaboration with county school districts, has developed a wireless network offering high speed last mile connectivity to many schools in the county. This has given students high bandwidth access to the connection provided by the Digital California Project as well as to the Internet. This session will outline the technology used in Kings County and how the project was funded.

## Exploring Ways to Enhance Parent Involvement

- **Kay Trotter**, Vice President for Parent Involvement, CA State PTA

Thirty years of research have proven the positive connections between parent involvement and student success. When parents are involved students achieve more, have higher grades, higher test scores, improved attendance, and fewer behavioral problems. This session will explore ways to enhance parent involvement through utilizing the National Standards for Understanding Parent Involvement, Parents Empowering Parents, Building Successful Partnerships, and understanding the parent involvement component of No Child Left Behind.



## **Activating Character in Our Classrooms and Communities**

- **Daria Waetjen**, Director, Instructional Services, Orange County Department of Education
- **Russell Williams**, President, Passkeys Foundation/Jefferson Center for Character Education
- **Ken Williams**, President, OCDE Board of Trustees (Workshop Facilitator)

Imagine schools where integrity, academic honesty, respect, and compassion flourish. Envision the resulting rich learning environment which fosters student and staff efficacy, and supports parent expectations for civil and safe learning communities. The Orange County Department of Education has made a dramatic commitment to help build such learning environments through the development of a premier Character Education Institute. This initiative promotes the development of schools where effective standards-based instruction is integrated with core character education principles. It is unique in its strategy to seed character educators countywide through the awarding of fellowships. These lead educators bring this initiative alive at their respective school sites and in the community. An advisory board comprised of county leaders guides the initiative as it partners with parents and the community. In addition, an Institutional Review Board ensures parents and students are safeguarded in accordance with NCLB.

## **Kern County: A Model of Successful Community Collaboration**

- **Stephen Sanders**, Director, Kern County Network for Children
- **Wendy Wayne**, Administrator, Kern County Superintendent of Schools

The Kern County Network for Children (KCNC) was created to bring together schools, communities, nonprofit organizations and community residents to improve the conditions of children and families. This session will touch on the development of collaborative efforts and specific ways to involve schools, board members and parents; the development and implementation of First 5's School Readiness Initiative in Kern County; lessons learned from early childhood development programs in Kern County; and the development of the "Target Reading First" collaborative in an effort to improve literacy in Kern County.



## **Promotion Via Standards Mastery**

- **Jeff S. Tilton Sr.**, Director, Charter Schools, Stanislaus COE
- **Judie Piscitello**, Division Coordinator, Stanislaus COE

Valley Business High School, founded by business and industry and Stanislaus County Superintendent Martin Petersen, is a unique School-to-Career, integrated, thematic approach county office of education-sponsored charter high school for motivated students. The school, a member of the Coalition of Essential Schools, blends academic projects with "real world" internships. Students graduate with a culminating celebration (Graduation By Exhibition) after demonstrating their mastery of the California academic content standards before a committee of school and business personnel. This session will show how project-based methodologies and assessment and accountability interrelate.

## **District and COE Partnerships for Success**

- **Judy Maurice**, Associate Superintendent, Imperial COE
- **Pat Salcido**, Principal, Calipatria High School
- **David Schoneman**, Superintendent, San Pasqual Valley USD
- **Michael Fong**, Board Member, Calipatria USD

Calipatria and San Pasqual Valley Unified School Districts are partnering with the Imperial County Office of Education to address their low performing schools. A four year commitment by the Calipatria USD Superintendent and Board has resulted in increased student achievement, parent involvement, and community pride. This session will outline this successful partnership by discussing the involvement of each participant and how the county office provides support for these local districts.



Saturday, March 13, 2004

10:10 a.m. – 11:55 a.m.

## The Numeracy Project: A Mathematics Curriculum for the Court and Community Schools

- **Victor Gee**, Former Secondary Math Coordinator, Alameda COE
- **Paul Pechin**, Program Manager, Secondary Mathematics, Sacramento COE
- **Garry Potten**, Director of Mathematics, San Joaquin COE

This session will outline how California High School Exit Exam standards, along with a highly engaging lesson design, will be shaped into a unique curriculum which will address many of the issues faced by students in the court and community school system. Participants will be shown how a monthly math strand (theme) approach will allow more sites to follow a common path.

## A Regional Support System for Work with Low Performing Schools

- **Joyce Wright**, Assistant Superintendent, Sacramento COE
- **Bill Palmer**, Director of Regional System of District & School Support, Sacramento COE
- **Vicki Alterwitz**, Director, K-12 Reading/Language Arts, Sacramento COE
- **Pat Duckhorn**, Director, K-12 Mathematics, Sacramento COE

The Sacramento County Office of Education in collaboration with nine other counties (Alpine, Colusa, El Dorado, Nevada, Placer, Sierra, Sutter, Yolo, and Yuba) have established a consortium which uses the School Assistance and Intervention Team (SAIT) process as a model to prevent program improvement schools under No Child Left Behind from moving into corrective action status. This presentation will highlight how the Regional System of District School Support, K-12 Reading/Language Arts, K-12 Mathematics, AB 466 and AB 75 providers work together to provide key support to the regional consortium to attain its goal.

## Expulsion Appeals: Critical Issues Related to County Board Scope of Review

- **Phil Kauble**, Director, Student Support Services, Los Angeles COE
- **Robert Jacobsen, Esq.**, Consultant, Student Support Services, Los Angeles COE

This session will provide attendees with a comprehensive review of identified critical issues related to the expulsion appeal process. Issues for discussion will include: evidence standards; other means of correction standards; proof of continuing danger; and use of sworn declarations and fairness issues. Case scenarios will be used to illustrate and establish a reasonable standard for each critical issue addressed by the presenters.

## Charter Schools Implementation and Oversight

- **Terry McAteer**, Nevada County Superintendent of Schools
- **Sue Burr**, Director of Governmental Relations, CCSESA

Over the past few years, several major pieces of legislation were enacted which have both expanded the opportunities for charter school expansion and ratcheted up oversight responsibilities for county superintendents and county board members. In addition, Proposition 39 (November 2000) contained major new facilities provisions for charter schools. This session will explore these requirements and introduce participants to the new CCSESA web-based Charter School Clearinghouse which provides high quality resource materials to enhance county offices' ability to effectively oversee charter schools.



# Critical Issues Session II

11

Saturday, March 13, 2004

2:00 p.m. – 3:45 p.m.

## The County Role as a Partner in Education

- **Davis Campbell**, President, Governance Institute, CA School Boards Association (CSBA)
- **Manny Scrofani**, Director of Research and Development, CSBA
- **Marjorie Peterson**, CAO, Governance Institute, CSBA

Explore the challenges of governance in county offices of education. This session addresses the foundations of effective governance; building a unity of purpose with the board and county superintendent; discussing ways to define the county board's governance role; building a positive board culture and identifying the formal structure and process useful to county governance. The session will explore strategies for providing leadership to local districts and reaching out to parents and the community.

## Bridging the Achievement Gap

- **Susan Magnone**, Associate Superintendent, Contra Costa COE
- **Joe Ovick**, Contra Costa County Superintendent
- **Abe Doctolero**, Director, Curriculum & Instruction, Contra Costa COE

Bridging the Achievement Gap is a partnership of districts and the Contra Costa County Office of Education focused on closing the achievement gap for minority students. The core of the project is an intense professional development institute for school and district teams. The project also includes recommendations for school boards, districts, school sites, and parents for actions they can take to close the gap. This session will showcase the professional development the recommended actions for boards and districts.

## CCSESA Expulsion Appeal Manual for County Offices of Education

- **Loretta Middleton**, Director, Student Services, San Diego COE
- **Sherman Garnett**, Child Welfare and Attendance Coordinator, San Bernardino COE
- **Robert Jacobsen, Esq.**, Consultant, Student Support Services, Los Angeles COE

Co-presented by the Los Angeles, San Bernardino, and San Diego County Offices of Education, this session will provide a comprehensive overview of the newly revised CCSESA Expulsion Appeal Manual. Special features will include a focus on the best practices along with legal issues related to the County Board Scope of Review.

## SOUTH OF THE BORDER

Travel **South of the Border** on

**Friday, March 12, 2004 from 6:00 p.m. - 9:00 p.m.**

as the **Hyatt Regency Monterey** is  
transformed into a **fiesta!**



Complete with traditional Mexican cuisine and mariachis,  
it will be an event you won't want to miss!





# Conference Registration

## Partnerships for Success

CCBE/PTA/CCSESA

Annual Spring Conference

Hyatt Regency Monterey

March 12-14, 2004

**SAVE MONEY!**

REGISTER BY FEBRUARY 27, 2004.

### CONFERENCE REGISTRATION FORM

To register additional attendees, please copy this form and submit a separate form for each registrant. If you are a presenter at the conference, and you plan on attending any other session/event besides your own, you are required to register. Please type or print clearly.

Name: \_\_\_\_\_  
(As you want it to appear on your badge)

Title: \_\_\_\_\_

County Office/PTA District: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

### REGISTRATION FEES:

(Includes all meals, except Saturday dinner. Vegetarian meals are available on request.)

☐ \$245 (before February 27, 2004)

☐ \$275 (after February 27, 2004)

☐ YES, I will be bringing a guest

Guest Name: \_\_\_\_\_

I would like to purchase the following guest (additional) meals:

*Friday, March 12, 2004*

☐ Lunch: \$25

☐ Dinner: \$35

☐ Vegetarian Meal Please

*Saturday, March 13, 2004*

☐ Breakfast: \$15

☐ Lunch: \$25

*Sunday, March 14, 2004*

☐ Breakfast: \$20

### Mail or Fax Conference Registration Form To:

**CCSESA**

**1121 L Street, Suite 510**

**Sacramento, CA 95814**

**FAX: (916) 448-7801**

**For additional information please contact the CCSESA office at (916) 446-3095.**

### CANCELLATION POLICY:

Requests for cancellation must be received in writing by February 27, 2004 in order to receive a full refund. No refunds will be given after February 27, 2004.

### PAYMENT:

Please make checks payable to "CCSESA." Credit cards cannot be accepted.

Check #: \_\_\_\_\_ PO#: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

# Hotel Reservations

13

## Partnerships for Success

Make your hotel reservations  
by February 10, 2004 in order  
to receive the discounted  
room rate!

**CCBE/PTA/CCSESA**  
**Annual Spring Conference**  
**Hyatt Regency Monterey**  
**March 12-14, 2004**

### HOTEL RESERVATION FORM

Please type or print clearly.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

County Office/PTA District: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Guest Name: \_\_\_\_\_

Arrival Date: \_\_\_\_\_ Departure Date: \_\_\_\_\_

### **TYPE OF ACCOMMODATIONS:**

Reservations made by February 10, 2004 will receive the following conference rates:

- ☐ Single - 1 bed, 1 person (\$155)
- ☐ Double - 1 bed, 2 people (\$155)
- ☐ Double - 2 beds, 2 people (\$155)
- ☐ Triple - 2 beds, 3 people (\$180)
- ☐ Quad - 2 beds, 4 people (\$205)
- ☐ Smoking ☐ Non-smoking
- ☐ Require special facilities in accordance with the Americans with Disabilities Act.

Special Requests: \_\_\_\_\_

### **PAYMENT:**

Reservations will not be processed without a form of guarantee. Purchase orders will not be accepted.

Type of Credit Card: \_\_\_\_\_ Account #: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ Name on Card: \_\_\_\_\_

### **Mail or Fax Hotel Reservation Form To:**

**Hyatt Regency Monterey**  
**One Golf Course Drive**  
**Monterey, CA 92940**  
**Fax: (831) 375-3960**

**Or you may call the hotel directly to  
make reservations at (831) 372-1234.**

**For additional information please  
contact the CCSESA office at  
(916) 446-3095.**

### **CANCELLATION POLICY:**

A cancellation must be received by the Hyatt Regency Monterey at least 72 hours prior to the arrival to avoid a cancellation fee.



# Sponsors

## A Special Thanks to our Sponsors

---

### *Platinum*

---



---

### *Silver*

---



---

### *Bronze*

---

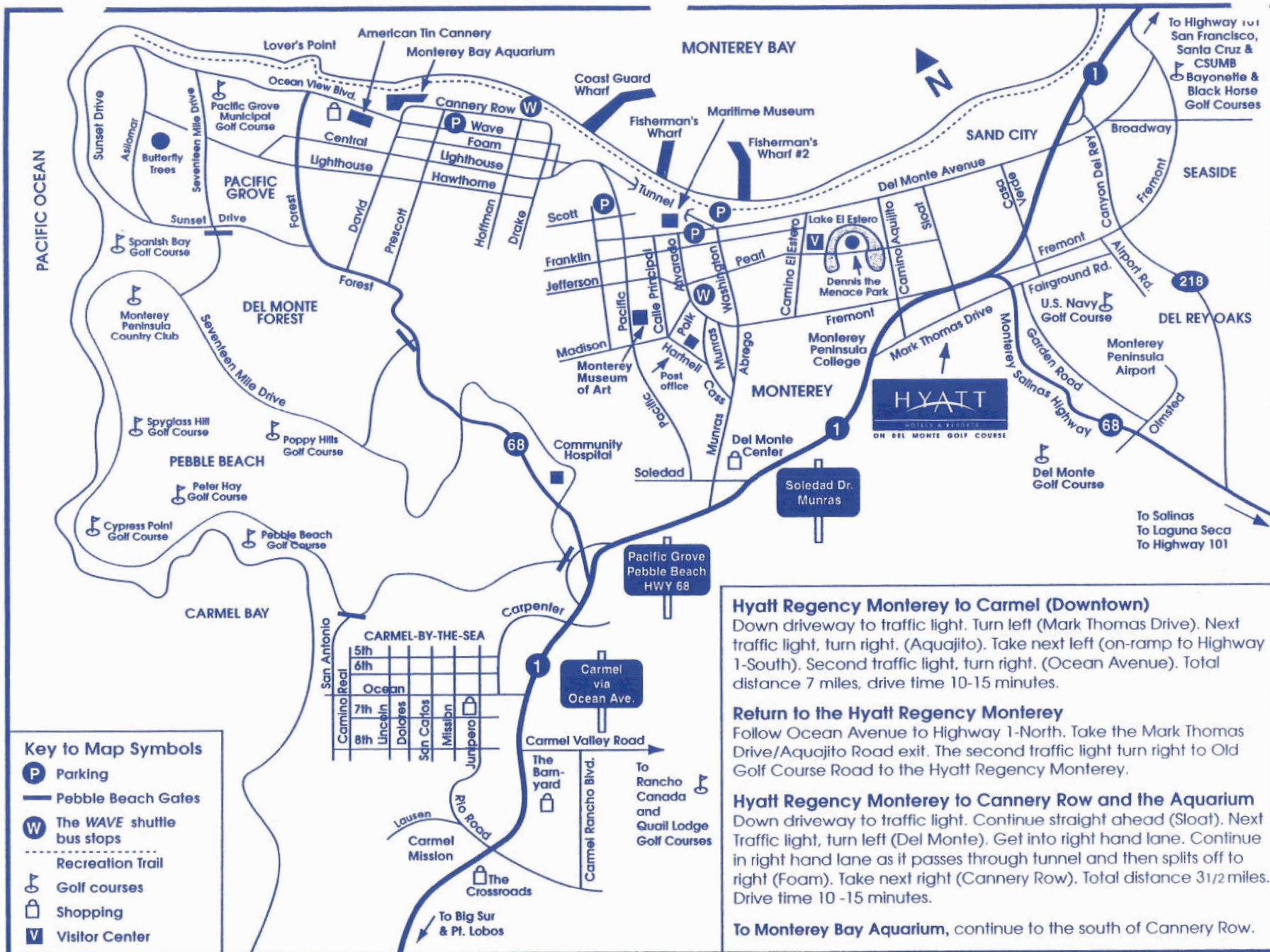
**ACADEMIC BOOK SERVICES**  
*"Delivering Quality Used Textbooks to our Children"*



**HOUGHTON MIFFLIN**



**MCS** *education services*

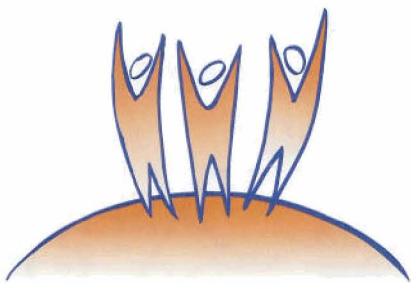




## **California Learning Resource Network (CLRN) Demonstration**

**Friday and Saturday (March 12 & 13, 2004)**

CLRN provides educators with a "one-stop" source for critical information needed for the selection of supplemental electronic learning resources aligned to the State Board of Education academic content standards. CLRN is administered by the Stanislaus County Office of Education as LEA, in partnership with the Humboldt, Kern, Kings, Sacramento, San Bernardino, and San Diego county offices of education. There will be an interactive demonstration of CLRN in the foyer near the registration table throughout the conference. Be sure to stop by and check it out!



**Partnerships for Success**

**CCBE / PTA / CCSESA**

Annual Spring Conference

1121 L Street, Suite 510

Sacramento, CA 95814